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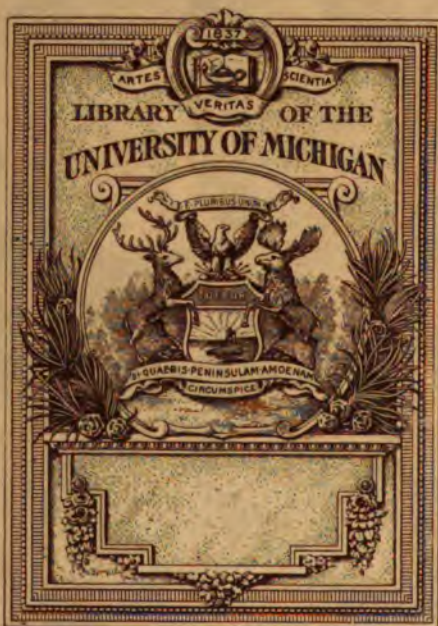
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# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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JANUARY, 1857.

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## A FINANCIAL RETROSPECT.

AMIDST a variety of hopes and fears, 1856 has not altogether concluded unsatisfactorily. It opened with the Western Powers still at war with Russia, and it has closed under the auspices of a peace, which, it is believed, will prove permanent. The progress of the twelvemonth has not, however, been unchecked, and serious causes have arisen to disturb the favourable prospects presented in the early part of the year. Over sanguine as many were, immediately it was intimated the Emperor Alexander had accepted the Austrian proposals, that trade would revive, and money would become more abundant, a steady return of confidence was soon manifested, and, notwithstanding the free predictions uttered with regard to universal buoyancy were not realised, the public discovered a general improvement. The operators in the funds, and those who had purchased securities at low prices, were the first who reaped any substantial benefit from the change, a rapid and continuous advance having taken place in prices. Even before the fact that a peace was likely to be concluded had officially transpired, the speculators apparently divined the probable success of an arrangement, and purchased accordingly.

A peace having been arranged, and the funds having risen some four or five per cent., it was naturally expected that affairs would move forward smoothly. This, nevertheless, was not the case, the negotiation of two small loans for the service of the country, with payments upon projects home and foreign, which had recently been brought forward, creating a demand for and assisting to maintain the value of money. The Banks of France and England, consequently, supporting full terms of discount, already high, great as was the confidence that prevailed,



there was a partial feeling of insecurity, and since no relaxation had occurred, the advent of a change was awaited with impatience.

In March the authorities of the Bank of France reduced their rate of discount from 6 to 5 per cent. ; but although this was a movement in the right direction, the directors of the Bank of England did not modify their quotations until the middle of May, when the Chancellor of the Exchequer, having taken up his last £5,000,000 loan, and made his periodical financial statement, which was considered in every degree satisfactory, they quietly equalised the rate from 7 to 6 per cent. And at this period general prospects were encouraging, the weather being favourable for the harvest, and with the exception of American politics, little having occurred to create apprehension. It was never presumed for a moment, diverse as the opinions entertained in many quarters were, that an actual interruption to the good understanding between England and the United States would take place, although the exhibition of feeling on the other side of the Atlantic had been exceedingly annoying. As an earnest that no cause for anxiety existed in this or any other respect, the directors of the Bank went from 6 to 5, and from 5 to  $4\frac{1}{2}$  per cent. These alterations ensued during the excitement occasioned by the dismissal of Mr. Crampton, and his arrival in London, and public securities continued to rise with few or unimportant fluctuations.

We had now arrived at a critical period. The reports of the crops were extremely satisfactory, and the supplies of bullion were sufficient for the ordinary purposes of trade. An inquiry, however, arose for shipments to the Continent, and it was not only explained that this was stimulated by the purchase of silver for transmission to the East, but that the Bank of France was again in the market to supply the drain it had been subjected to, in providing a portion of the gold withdrawn. A remembrance of what had occurred in the autumn of 1855 was now brought under consideration, and it was plainly perceived that a recurrence of the anomalous position of things then experienced was not improbable. The large specie remittances to the East, particularly of silver, showed that the demand was extensively increasing, and that it was likely to exercise a considerable influence upon the rates of the Continental banks. These sombre forebodings were shortly realised, and the banks of Hamburg, Berlin and Amsterdam, one after another increased their terms for accommodation. Simultaneously with this movement, great pressure existed on the majority of the Bourses, and at the termination of September the directors of the Bank



of France were compelled to raise their rate of discount to 6 per cent.

All this while no embarrassment existed in trade. Occasional failures took place, but they did not result from any apprehension of the effects of a crisis, but solely from the unremunerative returns of engagements, based upon unsound or ill-matured estimates. Business in most branches showed satisfactory progress, and even in the face of exorbitant rates of interest and prospective scarcity of capital, the complaints were comparatively unimportant. October in reality brought a repetition of the scene witnessed in the money market in the same month of the previous year. The Bank of England went from  $4\frac{1}{2}$  to 6 and 7 per cent. for the negotiation of mercantile paper, and in November 7 per cent was the uniform rate. The directors of the bank of France having reached the highest limit allowed by law, decided upon refusing bills having more than sixty days to run, and thus the general excitement was heightened. It was now rumoured that this establishment would be reduced to the necessity of suspending cash payments, and it was asserted that a proposal to effect this object had been submitted to the Emperor, who, however wisely refused to sanction the decree.

The failure of the silk crop in France, and the uncertainty attending the results of the harvest, no doubt assisted to promote the drain, but other causes connected with late excessive speculation also exercised their influence and increased the general absorption of capital. Strong as was the panic feeling occasioned by this severe revulsion in the value of money, confidence was never wholly abandoned, and the purchases of gold by the Bank of France having partially ceased, the arrivals from America and Australia afforded sensible relief. A favourable change was subsequently experienced, and the accounts of the Bank of England having, during the month between the 15th of November and the 15th of December, gradually improved, the directors progressively relaxed their restrictions, and have brought the rate of discount to 6 per cent., at which it now stands. At the period of the extreme pressure, the Bank authorities declined to make any advances on stock, confining their operations exclusively to Exchequer-bills.

With fluctuations like these in the rates of discount, it is surprising that a greater number of failures have not occurred, and much credit must therefore be awarded to the mercantile community for the caution which has directed their transactions through such a perilous epoch. The stock of bullion in the Bank was at its highest point on the 28th of June, the total then being £13,078,758, and on the 8th of December it receded to



£9,530,152, while on the 20th of December it was £10,513,823. Consols have varied about  $10\frac{1}{2}$  per cent., the lowest point having been in January, when the quotation was  $85\frac{1}{2}$ , and the highest was 96, attained in July. As the price on the 27th of December was  $94\frac{1}{2}$ , the actual advance established is  $8\frac{1}{2}$  per cent.

Satisfactory as appearances have been in most respects, circumstances have tended to restrict the full development of the banking interest. Several suspensions have unfortunately been announced among country establishments, and the failure of the Royal British Bank in London has increased the existing distrust. While the old banks have only been enabled to maintain their business, the new banks have not made much additional way, through the alarm created, but this is quietly subsiding, and the inauguration of a new year will, it is hoped, be accompanied by increased prosperity. Severe as is the ordeal which has been passed through, both the joint-stock and private banks have surmounted in a most triumphant manner the great prejudices created by banking mismanagement east and west of Temple Bar.

Only one topic remains to be referred to, and that is the discussion on the renewal of the Bank Charter Act. The question has been opened well, and will now, there can be no doubt, be thoroughly ventilated. A host of combatants are in the field, and the daily press affords good scope for their opinions. Information is required respecting the working of the charter, and it will be freely elicited. Already we fancy there is an answer to our interrogatory of last month,—“Shall there be an inquiry?” and that it is in the affirmative.

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#### RUMOURED BANKING DIFFICULTIES.

IN any calling or pursuit, a series of discreditable and dishonest transactions following rapidly upon each other compromises, to a certain extent, that particular interest as a whole, and begets suspicion and distrust towards all who are engaged in it. Hence the legal proceedings at the Old Bailey and the Court of Bankruptcy in the Strahan, Paul, and Bates' case, which proved the possibility and the ease, where the will exists, of concealing for many years hopeless insolvency and habitual dishonesty, under a mask of an apparently respectable and profitable business, created in the minds of those who too readily jump at conclusions an idea that the whole principle of private banking establishments was unsound. It was argued that where there is no publicity there can be no security—that had the Strand



banking house been compelled to disclose periodically the state of its affairs, and to advertise every year an account of its liabilities and the nature and amount of the assets in hand to meet them, their customers would have been warned in time and saved from loss, and the partners themselves would have been preserved from the temptation of resorting to crime for the purpose of retrieving the position which they had forfeited by unwise speculation.

The joint-stock banking companies, it was considered, were free from this objection, the requirements imposed upon them by law, of calling their shareholders together from time to time and laying before them a report of their financial condition and the extent and character of the business carried on, being supposed to afford the necessary protection to the proprietors on the one hand and the public on the other. When the Tipperary Bank broke, this faith in the integrity of the joint-stock as compared with the private banking system was somewhat shaken, but then the Tipperary Bank was an Irish establishment, under the direction of an Irish management, and the management concentrated in the person of a John Sadleir. Then in England, and in London especially, people are not content with taking all things upon trust; they must have official statements backed by what all events are understood to be official figures; and our meetings for business purposes are business meetings, and not, as is not unfrequently the case in the sister country and in companies connected with it, mere occasion for the interchange of compliment. When, therefore, it was found that although the Tipperary affair was from the beginning to the end a gigantic juggle, established and kept alive for the benefit of probably the most daring and successful swindler that ever lived, the London and County Bank, of which he was the chairman, was safe, public confidence was at once restored, and the Metropolitan joint-stock banks promised to become popular as, in the opinion of many, to endanger the existence of the private banks.

Perhaps fortunately in some respects—for in the competition between the two systems there is at least one element of safety—comes almost immediately the break up of the Royal British Bank. Here was an institution to which the patronage of the public was invited as combining in its constitution and principles of action what we were assured was the very perfection of safe and profitable banking. With the usual facilities and accommodation which the ordinary London banking establishments afforded was to be amalgamated the system which owes its origin to and prospers so well on the other side of the Tweed. The governing body was composed of men of rank, station, and



experience, members of Parliament, financial theorists of admitted authority, acting in co-operation with practical every day, men of business. Year by year reports and statements of account were published to the world, vouched for by auditors of respectability, whose names it was supposed were a guarantee that they would not pass figures the correctness of which they had not had full opportunity of testing, and without exercising that opportunity when they had it. And in those annual statements, thus bearing the stamp of authenticity, the shareholders were congratulated, and the monied community were advertised of a gradual and growing prosperity of so decided and certain a character as to demand a wider basis of capital to enable the directors to carry on the largely increased amount of profitable business which was flocking to their counters in all parts of the town where their branches were established. When an institution of such high pretensions is found in the result to have been from the very commencement wanting in that primary commercial as well as moral requisite, common honesty,—when downright and intentional fraud, and almost equally culpable negligence have united to palm off a gross imposition upon the public,—when profits and principal have been swallowed up in unsecured advances surreptitiously made to directors and managing clerks, or sacrificed in reckless, uncongenial, and unauthorised speculations, and the whole thing is found to be a sham unable to stand the test of a single day's "run," the natural inference is that the superior safety which the joint-stock principle was arrogating to itself, and for which the world was almost prepared to give it credit, has no foundation in fact, and that except in so far as the larger proprietary body affords to the depositor the greater chance of recovery against the shareholders individually, in the event of failure, there is no more of security in the one than in the other. The history of the Royal British Bank proves how utterly futile is the dependence upon directorial reports and published and audited accounts, or even the payments of respectable dividends, as a criterion of the prosperity or the solvency of a joint-stock bank.

That this feeling has largely prevailed since the catastrophe of that institution, the adverse rumours which have been floating about in reference to other joint-stock banks afford ample proof. It is true that, for the most part, these sinister reports partake of the nature of generalities rather than a definite statement. The terrors of the law of libel are sufficient to prevent the mention of names or circumstances, but not to prevent the propagation of insinuations and doubts, which, being directed rather against the class than against any establishments in particular, may be



readily understood to apply to one or all. If the failure of the Royal British Bank is spoken of, the observation is almost sure to be made—"Some other joint-stock banks are equally rotten, and will probably soon follow." But, though such remarks have been common talk, no one of the joint-stock companies was likely, by answering them in reference to its own concerns, to incur the danger by admitting the consciousness that theirs was the blot against which the shafts were levelled; because to do so might, by many, be regarded as an acknowledgment that it had not been altogether undeserved. Consequently the calumny was permitted to grow and to gather strength and circumstantiality from repetition.

In one instance only does it appear that these dark hints have taken anything like a definite form, and in that case the bank indicated has passed through the ordeal to which it has been subjected, with triumph.

The Commercial Bank of London, the only company which had been directly associated by name with the prophecies of approaching failure, has met the imputation openly, and most satisfactorily have they refuted it. Most people in the city were aware that the bank had had extensive transactions with the large contracting firms of Fox and Henderson, and Mares, and these having become bankrupt, it required no very unreasonable stretch of the imagination to suppose the possibility of loss to the establishment which furnished them with banking accommodation. The Royal British Bank had been speculating with the money of its proprietors and customers in mines. Was it not as likely that the Commercial had embarked the funds of its customers and shareholders in carrying out railway and other great engineering contracts, and with a similar result? When the public mind was already in a state of alarm, such an idea once expressed was sure to spread rapidly. In the mouth of rumour speculation and doubt are speedily converted into fact and circumstance, and it soon became whispered abroad that the bank in question had sustained enormous losses and was unable to meet its liabilities. As a natural consequence a "run" upon it took place, which, for nearly three months continued almost without intermission. Happily the affairs of the bank were sound. Its directors were men of prudence, of honesty, and of means, devoted to the interests of the concern in which their own pecuniary stake was equal to a sixth of the whole amount of the subscribed capital. To silence their unknown assailants by way of explanation would have been difficult, and probably at the moment when public faith in directorial statements had been so wantonly abused by another joint-stock bank board, in



all probability the motives which dictated any attempt to do so would have been misinterpreted. They took a wiser course. As the public drew out, they increased their own current balances—one of them (the chairman) to the extent of £30,000,—and replied to the rumours of insolvency by adding to the number of their shares. Whenever any definite statement was made, it was answered, and the means offered to prove the accuracy of the answer. When a shareholder expressed a doubt, he was invited to examine the books; and when it was asked by a customer, "Is it true that you have received assistance from the Bank of England and from Gurneys?" they responded by saying, "Go yourselves to the Bank and to Gurney's, and you will find that so far from applying to either of those establishments for aid, the one has all along had in their hands £120,000 of our money and the other a large sum at interest, kept there as a reserve to meet any pressure that may arise."

In this way the Directors of the Commercial Bank were enabled to meet probably one of the most stringent tests to which any similar institution was ever subjected. The intensity of the pressure having passed over, and it being no longer possible to insinuate against the management a desire to deprecate or escape from an ordeal which they wanted strength to pass through, they availed themselves of the opportunity afforded by a special meeting held on 16th December, for the election of a director, to give a full exposition of the financial position of the company, not exactly in the form of a detailed balance sheet, but what under the circumstances was far more satisfactory, viz., in the shape of a general statement of facts given on the authority of the whole body of direction in their individual as well as collective capacities. Evidently by a preconcerted arrangement a shareholder had prepared a series of pertinent questions, embracing all the rumours that had been floating about and all the points whereon the stability or weakness of the bank would depend, and which, responding to the chairman's expressed desire to give any explanation that might be wished for, he propounded. The answers which these questions elicited disclosed a state of affairs which must be equally gratifying to the management, the proprietors, and the public. In a few words, the information thus obtained amounts to this:—"The Bank has sustained no loss of any importance—it has not suffered in any way from either Mare's or Fox and Henderson's bankruptcy—and of the £15,000 advanced to carry on the business of the first named firm since the failure, £10,000 has been repaid, and the other £5,000, which is fully secured, will be liquidated out of the estate before a farthing of dividend can be distributed.



amongst the creditors ; and for an advance of £3,000 to Mr. Oxenford, the retiring director—the only transaction mentioned to which even the shadow of a suspicion can attach—in addition to the loan which they have upon his shares, security sufficient to cover the loan has been taken. No aid has been required to enable the bank to rise over its difficulties, but on the contrary, the deposits in the Bank of England and at the discount houses standing to its credit at interest, and available to meet any emergency, have not been lessened, and amounts now, with other assets within arm's length and come-at-able at any moment, to one third of its entire liabilities ; and that if the concern were wound up to-morrow, after every legitimate claim had been discharged, there would be 24s. in the pound upon the subscribed capital left to divide amongst the proprietors." A more conclusive statement of solvency can scarcely be imagined. There was no beating about the bush ; the questions were simple and to the point, and the answers were clear and explicit, embracing every point which could tell upon the question at issue.

Such an exposition given, not upon the authority of books that might have been falsified, or accounts that might have been cooked to serve a purpose, but on the honour of gentlemen of high standing and unquestionable character, who combine with these essential thorough business qualities, and whose knowledge of the subject they were explaining was derived from daily personal superintendence, as in the case of Mr. M. Hunter, the chairman, and the personal investigation as in the case of Mr. Cayley and Mr. Price, must necessarily be to the shareholders of the Commercial Bank eminently satisfactory. Nor ought the result to be less welcome to the whole banking community, and the monied and trading interests of London generally. If public confidence in the system of banking was endangered by the mal-practices of Strahan & Co., the Royal British, and one or two provincial establishments following one upon the other in, it must be acknowledged, alarming succession ; the successful manner in which the "Commercial" has withstood the test applied to it, must go far to restore it. Nobody now imagines that any of our old respectable private banks are tainted in the least degree with the criminal practices of Strahan and Paul, or are in any way obnoxious to the charge of employing their customers' money in private speculations foreign to their legitimate business. Neither is there any reason to suspect that the Royal British is other than an exception proving the rule of the general stability of the joint-stock banks. As Mr. Cayley remarked at the Commercial Bank meeting, confined to the sphere of its lawful operations, no business is so safe as



banking; circumstances may occasionally arise to diminish profits, but under prudent management loss is impossible. The failures which have taken place ought to and no doubt will make the managers of our banking establishments doubly cautious in their dealings for the future; and in the case of the joint-stock banks where the shareholders have the power in their own hands, if they choose to exercise, the fault will be theirs, who have to bear the pecuniary penalty of unlimited liability, if we ever witness a second edition of the Royal British.

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#### REDUCTION IN THE BANK RATE OF DISCOUNT.

THE prospects of the money market have so much improved that the directors of the Bank have been enabled to make a further reduction in the rate of discount. On the 4th of December they announced an alteration from 7 to  $6\frac{1}{2}$  per cent., and on the 18th a second movement of from  $6\frac{1}{2}$  to 6 per cent. A modification so important as this has exercised a favourable influence out of doors, and should nothing interfere to occasion a fresh Continental drain, the supply of capital for all purposes when the dividends are fixed will be abundant. The arrivals from Australia and America will, it is believed, continue large, and under these circumstances, there seems to be an impression that about February or March, if political affairs make steady progress, the rate will have descended to about 5 per cent. A plethora, however, for some time to come is not at all expected, as existing engagements, both home and foreign, are large and will require an adequate supply extending over at least the next half year. It is essential that a respite to the introduction of new schemes should be afforded, to allow of a return to the ordinary position of things, with the view of fostering and promoting legitimate trade.

On the first alteration the City writer of the *Times* remarks:—

The Bank of England have to-day lowered their rate of discount from 7 per cent., at which it had stood since the 13th of November, to  $6\frac{1}{2}$  per cent.

This moderate step has given general satisfaction. During the past week the course of circumstances has not been such as to improve the position of the money market, the disappointment in the Mexican remittances, and the consequent prospect of a continuance of silver purchases on the Continent, which will require to be paid for in gold, having dispelled the expectation that no further withdrawals from the Bank would be necessary before the arrival of another supply from Australia. Hence, although there was not sufficient to render a relaxation altogether undesirable, a reason existed for adopting a more gradual process than might otherwise have been anticipated.



The new rate will still be more than a half per cent. above the current charge in Paris, and from one to one and a-half per cent. above the rates at Hamburg, Vienna, Berlin, Frankfort, and Amsterdam. There is, consequently, no danger of our capital being attracted in the shape of temporary loans to any part of the Continent. Any drain of specie that may yet be witnessed must for the moment be almost solely on Indian account, and in this respect it may be expected that the reduction of the rate of exchange, announced yesterday by the India House will operate as a partial check, and that the silver due from Mexico will be in hand before the next monthly remittances are made to China. Meanwhile, with regard to the home demand for money, it must be repeated that that demand is caused mainly by the large sums falling due at the Bank at this period of the year. If the Bank were now not to let out money freely, the absorption thus daily taking place would lead to a contraction of the circulation which would enable them, if they pleased, to exact even nine or ten per cent. But it is not their place to take advantage of this condition, and if the total they are called upon to discount each day is, notwithstanding its largeness, below the sum falling due to them, they are bound to pursue the course, just adopted of affording to the public a proportionate relief.

The reduction announced to-day applies alike to discounts and to loans upon securities. It has also been decided to make advances at the same rate until the payment of the dividends on bills having six months to run. Previously the limit was three months.

The heavy payments which matured to-day are believed to have been well met. In the early part of the morning the transactions in the discount-market were limited, borrowers being desirous to ascertain the course of the Bank. When the reduction to  $6\frac{1}{2}$  per cent. was notified, there was consequently an extremely active demand.

The discount houses have reduced their rate for money at call from 6 to  $5\frac{1}{2}$  per cent. The joint-stock bank rate for deposits is reduced from 6 to  $5\frac{1}{2}$  per cent.

The writer in the *Daily News* observed—

The directors of the Bank of England to-day reduced their minimum rate of discount from 7 per cent., at which it was fixed on the 13th of November, to  $6\frac{1}{2}$  per cent. for all classes of bills up to 95 days. As we have already intimated, a reduction was regarded as inevitable within a week or two. Many parties anticipated that a reduction to 6 per cent. would be decided on without any intermediate pause; but the result proves that the directors are resolved to pursue a cautious policy. In this determination, they are probably encouraged by the proof which has been afforded even within the last day or two, that the tendency of gold to flow to the Continent continues. The recent withdrawals of gold from the Bank, however, have been specially destined to pay for silver on the Continent, and the fall in the price of silver is calculated to dissipate any immediate apprehension on this score. A reduction of  $\frac{1}{2}$  per cent. in the rate of discount is not, in itself, an event of much importance; nevertheless, it is received with great satisfaction, as indicating in an unmistakable manner the belief of the directors that the period of severest pressure is passed. Holders of money will now show more willingness to lend, owing to the prospect of a gradual return to easier rates of discount.

The Bank movement having been for some time expected, has not produced any great effect upon the Stock Exchange markets, but tends to confirm the favourable feeling previously existing. The funds have risen fully  $\frac{1}{2}$  per cent., and, together with all the other departments of the market, closed with great firmness.



The Lombard-street discount houses this afternoon reduced their rate for money on call from 6 to 5½ per cent. The joint-stock banks have also lowered their rate for deposits from 6 to 5½ per cent.

The second alteration was thus alluded to in the *Times* :—

"The Bank of England to-day have lowered their rate of discount from 6½ per cent., at which it has stood during the last fortnight, to 6 per cent.

Although it was known that the measure was certain to be adopted within a week or two, and there was yesterday a strong impression in several quarters that it would be announced forthwith, it seemed to create some surprise, and caused an immediate movement in the funds of nearly a half per cent. According to the last *Gazette* return, the stock of bullion and the reserve of notes were beyond the amounts at which they stood when the reduction of 6 per cent. was resolved upon in May last, and there is reason to suppose the next statement will exhibit a fresh improvement. Meanwhile the "Red Jacket," which is now 84 days out from Melbourne, may be expected at any moment with a further quantity of gold, and an unusually heavy receipt of silver is to be hoped for a fortnight hence by the next Mexican steamer. The American remittances are also likely to be considerable by the "Persia," which will be due on Saturday. Hence, although the drain to India continues upon an unexpected scale, and prevents any permanent revival of the continental exchanges, the supply promises fully to keep pace with the demand, and there is no ground for maintaining a rate higher than that of our neighbours. With regard to any further relaxation, however, the prospect must now depend almost entirely upon the course of financial affairs in France and Germany. Probably, in consequence of the reduction here to-day, the Bank of France may speedily remove their prohibition against bills having more than sixty days to run, but beyond this there seems no immediate likelihood of any amelioration being found practicable in that country. In Germany and Holland, after some temporary signs of ease, the tendency lately has been towards an increase of pressure. It is therefore necessary to recognise the possibility that the rate now fixed may have to be maintained for some time, and this consideration apparently led to a reaction in the Stock Exchange during the afternoon, from the advanced quotations which were realised when the alteration was first made public.

The reduction announced to-day applies alike to discounts and to loans upon securities.

The discount establishments have reduced their rates to 5½ per cent. for money at call, and to 5½ per cent. for deposits within seven days' notice. The rate of joint-stock banks for deposits is reduced to 5 per cent.

The *Daily News* remarked—

The directors of the Bank of England to-day reduced their *minimum* rate of discount from 6½ per cent., at which it was fixed on the 4th instant, to 6 per cent. In numerous quarters the measure was not expected; but, as has already been indicated in the *Daily News*, the improvement in the position of the Bank has proceeded to such an extent that the directors would have subjected themselves to censure had this measure of relief been much longer delayed. The liquidation of the commercial engagements maturing at the close of the year and on the 4th of January will thus be facilitated. The firmness with which the trade of the country has borne the recent severe pressure warrants every confidence in the future; and, although there is a prospect of a further decline in the rates of discount early next year, little fear is entertained of foreign projects being entertained to any unsafe extent.



In consequence of the alteration at the Bank, the Lombard-street discount houses have reduced the rate allowed for money on call from  $5\frac{1}{2}$  to  $5\frac{1}{4}$  per cent. The joint-stock banks have also lowered the rate for deposits from  $5\frac{1}{2}$  to 5 per cent. These institutions make a practice now of allowing one per cent. less than the minimum discount rate at the Bank.

The National Discount Company have reduced their allowance of interest upon deposits to  $5\frac{1}{4}$  per cent. at call, and  $5\frac{1}{2}$  per cent. at seven days' notice.

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### SUSPENSION OF THE KIDDERMINSTER OLD BANK.

THE operations of another private bank in this district have been brought suddenly and unexpectedly to a close. On Saturday, the 13th of December, the old bank at Kidderminster, carried on in the name of Farley, Turner, and Company, was not opened for business as usual, but an intimation was posted outside to the effect that in consequence of the death of Mr. Turner, there was no one invested with authority to carry on the bank. Business has not been resumed, although the doors of the establishment have been kept open for the purpose of answering inquiries; in the meantime sufficient has transpired relative to the state in which Mr. Turner's affairs are left to preclude all possibility of the bank being again opened for business. The bank of Farley, Turner, and Company was established, we believe, between fifty and sixty years ago. Amongst the original members of the firm was one or more of the family of Farley, of the banking house at Worcester. A few years ago that connection was broken by the retirement of Mr. Farley from the firm at Kidderminster, and about the same time a gentleman named Jones, who had been for many years a clerk in the house, was taken in as a partner. At the time this arrangement was made it was understood that Mr. Jones did not take any money into the concern. He did not survive the date of his partnership more than three years. By his death Mr. Abraham Turner became the sole member of the firm, and his death at Cheltenham, last Thursday, has brought about a stoppage prematurely, but which was inevitable on no very distant day. It has transpired that Mr. Turner has died intestate; but of the fact that he was insolvent to a considerable amount, there is, we fear, no doubt whatever. The bank had the privilege of issuing notes to the amount of £14,300, but it is supposed that the number actually in circulation will not amount to more than £8,000; the liabilities are estimated at a sum not exceeding £7,000. As to the value of their assets, or their nature, nothing whatever is known; but for some time prior to the stoppage, a disposition had been evinced on the part of the management to restrict operations as much as possible, in consequence, in all probability, of limited means at command. The London agents of the house, Messrs. Robarts and Co., were, it is understood, prepared for what has occurred; in fact, Mr. Turner's want of means had been no secret for some time prior to his demise, so that the town agents would be sure to provide against any accident. Indeed, it is not improbable that they had a balance; for if we are correctly informed, Farley and Turner's notes were cashed in London on Saturday morning. In Kidderminster the loss and inconvenience consequent on the stoppage will be very severely felt. As the news spread early and rapidly on Saturday morning that the Old Bank had stopped, hundreds hastened to see the notice posted on the establishment, before they could credit that which they were reluctant to believe. Saturday is pay day at Kidderminster, and many persons were dependent on a supply from the



bank for their workmen's wages; they had seen the house open as usual on Friday afternoon, paying and receiving in the ordinary way, and Saturday morning found the doors virtually closed. As usual, in a score of such cases that might be mentioned, there was no suspicion of the Old Bank, and at this establishment the funds of most of the public institutions of the town (including the Corporation) were deposited. Instances of peculiar and individual hardship have reached us as the consequence of this stoppage; of funds paid into the bank on Friday for the advice of acceptances, which of course, remain unadvised; and in many ways has been a severe blow, as may be expected, in such a manufacturing community as Kidderminster. The Stourbridge and Kidderminster is now the only banking establishment in the town. We are glad to notice that the management has behaved with as much liberality as circumstances would admit of to parties most seriously affected by this unfortunate occurrence. The stoppage of a bank under the circumstances above detailed is a very rare, if it is not altogether an exceptional occurrence. It may be presumed that the winding up will take place under the direction of the Court of Chancery. The late Mr. Turner was a magistrate of the county of Worcester, and in other respects he occupied socially a high position in his neighbourhood.

### SCOTTISH AGRICULTURAL STATISTICS.

Mr. Hall Maxwell, secretary to the Highland and Agricultural Society of Scotland, under whose care and direction the agricultural statistics of Scotland have now for three years been collected, has just transmitted his concluding report for 1856 to the Board of Trade, along with the tabulated statistics for the year. The statistics thus completed embrace:—1, An amended table of acreage under tillage; 2, Proportional acreage of the crops in each county; 3, Estimate of gross produce, in bushels or tons, of the principal cereal or root crops in each county; 4, Estimate of the average acreable produce of the same crops in each county; 5, Estimate of average acreable produce in each district or subdivision of a county; 6, Estimate of the weight of the cereal crops in each district; and 7, List of districts and reports by enumerators on the quality of the crops. On the 1st of September, Mr. Maxwell transmitted to the board tables of acreage under tillage and of stock, as made up from returns by occupants of lands rented at and above 10s. in 26 counties, and at and above £20 in eight counties, and an estimate of the arable acreage and stock of the occupants of smaller holdings, as ascertained from the survey of 1854. The returns of stock are not now reproduced, but an amended table of arable acreage is published, the returns having since been subjected to various tests of accuracy since their former publication. The difference between the original and amended table is summed as follows:—

Decrease on vetches	...	...	...	865
„ bare fallow	...	...	...	2,250½
				<hr/> 3,115½
Increase on white crops	...	...	1,730	
„ green crops	...	...	663½	
„ grass crops	...	...	191½	
				<hr/> 2,584½
Decrease on gross area of tillage	...	...	530½	



After explaining the discrepancies between the original amended tables, Mr. Maxwell proceeds to offer some remarks on the differences observable in the distribution of the crops of 1856 and 1855. He says, "A comparison between the two years exhibits uniformity as regards the gross results, with very considerable variations in detail, but precisely such as might have been looked for, and should be found.

	Acres.
In 1856 the area under tillage was ...	3,545,191
In 1855 ... ..	3,530,068½

Showing an excess in 1856 of ... .. 15,122½

which is perfectly in accordance with the agricultural improvements known to be in operation, and with the inducements which high prices have held out to break up old pasture. As regards details, the most prominent difference between the two years is the increased area under wheat. Indeed, the rapid extension of that crop during the three years the statistical inquiry has been in operation is remarkable, and, but for its operation, would comparatively have been unknown. In 1854 there were 168,216 acres of wheat; in 1855, 191,300½; and in 1856, 263,326 acres—an increase upon last year of 72,027½ acres, and of 56½ per cent. on the returns for 1854. The information afforded by the acreage table for the current year enables us to account for this great excess, not only consistently with the circumstances of the times, but satisfactory as regards the progress of agriculture. The remunerative prices which have been obtained for wheat make it natural that it should be substituted, where practicable, for barley and oats, and lead us to look for the conversion of grass land into grain. We may therefore seek to find the increase in wheat met by a corresponding decrease in the acreage of the other white crops, and of grass under rotation; as it would argue ill for the state of agriculture did any proportion appear to be a subtraction from the area under green crops. We learn, accordingly, from table 1, that in 1856 the extent under barley had decreased ... .. 20,343½ acres.  
Oats ... .. 15,018 "  
Grass under rotation ... .. 34,268½ "

69,630 acres.

Thus, together, nearly amounting for the increase in wheat." "The fact," he adds, "that the green crops, including beans and peas, exhibit an increase of 17,479½ acres upon the breadth of 1855 is of importance, as showing that the farmers of the country are not attempting to increase the production of wheat without in some measure properly and legitimately preparing for its extension."

After describing the table of proportional acreage, now presented for the first time, and from which, he says, a tolerable notion may be obtained of the average rotation observed in each county, Mr. Maxwell proceeds to remark as follows upon the estimates of gross produce per county. He says:—"It has been observed in England 'that we are living in an age of statistical imposture, and that many returns in reference to agriculture are made by men who are not acquainted with rural life.' Whatever truth there may be in this statement elsewhere, it has assuredly no application to Scotland, as the estimated returns now submitted emanate from men selected on account, not only with their intimate 'acquaintance with rural life,' but their integrity, skill, and experience, and their special knowledge of the agriculture of the localities within which they act. For the purposes



of the statistical inquiry, Scotland is divided into 119 districts, containing a greater or lesser number of parishes, according to the geographical divisions and agricultural features of the country. Every district is under the supervision of an enumerator, and he, himself a farmer, is aided by a committee, composed of influential members of the same class, taken from each of the combined parishes, and whose duty it is to obtain the most reliable information regarding the results of the harvest in their own immediate neighbourhood. These committees are convened by their respective enumerators between the 15th and 30th of November, when, on the data submitted to the meeting by each member, the average acreable produce of each crop grown within the district is estimated and reported to me, which enables me to strike similar averages for counties; and, by applying to the acreage, to bring out the estimates of gross produce now under consideration. We have thus the services and assistance of more than a thousand practical farmers, specially selected, from local and professional fitness, for the duty devolved on them, and openly assuming the responsibility of its faithful discharge. In again presenting the results of their labours, I am entitled to claim for the estimates that respect and confidence which are due to the honesty of purpose and careful consideration bestowed upon them by the different enumerators and committees. Their duty—at all times one of difficulty—has this year been encompassed by unusual obstacles; and but for my cognisance of the anxiety and exertions with which these have been met, I should feel hesitation in laying the estimates before my lords; as it is, they must be accepted with more than usual caution, and read with a greater than ordinary allowance. In many districts of Scotland, especially along the east coast and in some of the midland counties, the past has been of a most exceptional and anomalous character. The grain crops, though late, generally promised well, and a portion had been secured in good condition, but the greater part was in stock, or uncut, when towards the close of September it was exposed to a violent storm of wind and rain from the east, lasting for several days, and succeeded by weeks of weather unsuitable for and suspending all harvest operations. The results were disastrous in various ways—the standing grain was shaken; what had been cut sprouted and was discoloured; while much in the stackyard heated, owing to the unfavourable circumstances in which it was secured; in short, the difficulties encountered in securing the crops were greater than have been experienced since 1816. Fortunately, this state of matters did not extend over the whole country; the western counties comparatively escaped, and at a time when the crofters on the outskirts of the Argyleshire coast had their little stackyards completed, the great farmers of Berwickshire, the Lothians, Fife, Forfar, and other highly-cultivated districts had the bulk of their crops unsecured. It must be obvious how greatly the difficulties, always attached to an estimate of produce, have this year been enhanced: not only has much actually been lost, but the unusual proportion of light grain, the varieties in quality, and, above all, the ascertained damage which may have been progressing in the stack, combine to invest the estimates for 1856 with such exceptional features that I could not permit them to go forth unattended by the foregoing explanation. I have only to repeat, that those intrusted with the duty of preparing them have done their best to overcome, by increased care and caution, the unfavourable circumstances I have endeavoured to describe."

In concluding this report, Mr. Hall Maxwell says,—“It is my pleasing duty to inform my lords that the returns continue to be freely and voluntarily made by the agricultural community. Instances there are, no doubt, of opponents who plead the objections so frequently heard in England,



but such cases are singular. The farmers of Scotland have practically satisfied themselves that the inquiry is in no respect inquisitorial, and that it cannot possibly divulge or compromise individual interests. They appreciate with intelligence the importance of statistical information, and they would rejoice could the inquiry be systematically extended over the three countries, believing that its results are comparatively valueless so long as its operation is partial."

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#### RUN UPON THE IRISH BANKS.

AN inexplicable panic has occurred in Ireland, which has had the effect of creating a run upon the National Bank and the Provincial Bank of Ireland, to meet which it has been requisite to transmit a large amount of bullion from this side. It has arisen apparently from a vague feeling of insecurity through the disclosures and subsequent proceedings connected with the Tipperary Bank, and commencing in that district, it has extended to Cashel, Thurles, Clonmel, and other places. The promptness of the managers of the various branches in meeting the demands of depositors and others who had claims on these establishments, has, however, effectually checked the excitement; and the doors having been kept open until later than usual to satisfy the public that there is no ground for alarm, confidence has been almost wholly restored. It is stated that the Bank of Ireland have afforded every facility to their neighbours to enable them to meet the pressure to which they have been subjected, and it is now generally believed that the "run" has terminated. About half a million sterling has been withdrawn from the Bank and despatched across the Channel to provide for the emergency, and it is not improbable that further supplies may be taken to put the banks in a position to meet a repetition of the movement, should it arise. The management of the Irish banks has been so satisfactory, and the results have proved so advantageous to proprietors, that a transient vicissitude of this description will not produce a damaging influence.

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#### TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for October were issued on the 27th of November, and present many remarkable features. The unprecedented activity of our exports is still kept up, and the excess in their declared value on this occasion, as compared with the corresponding month of last year, is £1,806,357, or about equal to the average excess which has been shown each month since Midsummer. The increase is still spread in fair proportion over almost every branch of industry, but the greatest relative augmentation continues to be in metals, owing chiefly to the foreign demand for railway and other iron; cotton, linen, silk, and woollen manufactures, however, have all been largely shipped, as



well as hardwares, saddlery, and those articles generally which depend upon the state of the colonial trade. Subjoined is a table showing the exact increase or decrease under each head :—

## DECLARED VALUE OF EXPORTATIONS.

Months ending Oct. 31st, 1855, and Oct. 31st, 1856.	1855.	1856.	Increase.	Decrease.
Alkali—viz., soda ... ..	£38,318	£63,933	£25,615	—
Beer and ale ... ..	71,631	84,598	12,967	—
Butter ... ..	63,568	48,388	—	£15,180
Candles ... ..	24,395	28,577	4,182	—
Cheese ... ..	10,686	23,394	12,708	—
Coals and culm ... ..	217,129	276,475	59,346	—
Cordage and cables ... ..	15,220	16,285	1,065	—
Cotton manufactures ... ..	2,498,487	2,761,134	262,647	—
Cotton yarn ... ..	680,189	734,042	53,853	—
Earthenware ... ..	89,036	135,354	46,318	—
Fish ... ..	127,840	111,883	—	15,957
Glass manufactures ... ..	41,368	55,402	14,034	—
Haberdashery and millinery ... ..	235,901	273,626	37,725	—
Hardware and cutlery ... ..	272,551	375,648	103,097	—
Leather ... ..	103,961	198,103	94,142	—
Linen manufactures ... ..	409,546	432,406	22,860	—
Linen yarn ... ..	73,494	131,776	58,282	—
Machinery ... ..	233,937	347,615	113,678	—
Metals ... ..	1,218,392	1,678,355	457,964	—
Oil and seeds ... ..	76,531	126,931	50,400	—
Painters' colours, &c. ... ..	29,889	58,107	28,218	—
Salt ... ..	41,190	44,301	3,111	—
Silk manufactures ... ..	88,070	116,770	28,700	—
Silk, thrown ... ..	23,801	80,934	57,133	—
Silk, twist and yarn ... ..	20,162	26,000	5,838	—
Soap ... ..	26,059	25,292	—	767
Stationery ... ..	48,564	73,519	24,955	—
Sugar, refined ... ..	15,819	91,117	75,298	—
Wool, sheep or lambs ... ..	53,570	57,725	4,155	—
Woollen manufactures ... ..	672,624	720,934	48,310	—
Woollen yarn ... ..	201,702	285,049	83,347	—
Unenumerated articles ... ..	1,136,964	1,185,277	48,313	—
Total ... ..	8,860,594	10,666,951		

The total exports for the first ten months of the present year have amounted to £95,573,556, against £78,087,431 in the same period of 1855, showing an increase of £17,486,125, or about 22½ per cent. As compared with the same period of 1854, the increase has been £12,443,468.

At the same time the extent and character of the import business of the last month has been very striking. The supplies of wheat, flour, and rice have again been abundant, the arrivals of provisions of every other kind being also extremely large. Sugar alone shows a trifling decrease. Of tea, wines, and spices, the quantities landed have been particularly great, and the consumption not only of these, but of sugar, cocoa, coffee, fruits, spirits, and tobacco, has been on an augmented



scale. The general result of the importations, notwithstanding the active consumption, must have been to have placed the dealers in better stock.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Months ending Oct. 31st, 1855, and Oct. 31st, 1856.	Imported.		Home Consumption.	
	1855.	1856.	1855.	1856.
Grain, wheat, qrs. ... ..	132,772	434,692	132,772	434,692
Grain of other descriptions, qrs.	85,144	269,741	85,144	269,741
Indian corn, qrs.... ..	172,268	152,066	172,268	152,066
Flour and meal, cwt. ....	128,588	161,993	128,588	161,993
Provisions—Bacon, &c. &c., cwt.	12,243	21,368	Free.	Free.
Butter and cheese, cwt. ...	87,306	93,888	86,955	92,539
Animals, No. .. ...	44,048	34,902	Free.	Free.
Eggs, No. ... ..	7,336,000	7,504,600	7,336,000	7,504,600
Cocoa, lb. ... ..	300,140	373,756	340,984	411,808
Coffee, British, lb. ... ..	5,788,834	6,778,226	2,297,871	2,458,905
Ditto, foreign, lb. ... ..	153,357	478,998	689,503	778,790
Total coffee ... ..	5,941,691	7,257,224	2,987,374	3,237,695
Sugar—				
West India, cwt. ... ..	343,339	209,458	301,162	341,017
Mauritius, cwt. ... ..	60,853	53,414	101,012	94,426
East India, cwt. ... ..	48,059	119,653	46,540	134,127
Foreign, cwt. ... ..	201,072	199,187	218,185	211,667
Total sugar ... ..	653,388	581,712	666,899	781,237
Tea, lb.... ..	5,359,985	10,036,170	5,178,409	5,644,721
Rice, cwt. ... ..	299,120	339,820	110,684	148,083
Spirits, gallons ... ..	1,026,249	1,096,232	432,304	457,639
Wines, gallons ... ..	521,722	1,064,521	636,514	741,846
Opium, lb. ... ..	13,742	5,714	6,382	2,943
Tobacco, lb. ... ..	4,043,527	4,221,718	2,839,442	2,957,512
Currants, figs and raisins, cwt...	97,621	119,930	63,848	100,991
Lemons and oranges, bushels ...	6,686	11,113	7,197	14,798
Spices, lb. ... ..	724,564	1,692,707	505,191	525,975
Ditto, cwt. ... ..	2,838	589	600	450

The following are the comparative imports and exports of raw material, showing a very large increase in every item :—

Months ending Oct. 31st, 1855, and Oct. 31st, 1856.	Imported.		Exported.	
	1855.	1856.	1855.	1856.
Flax, cwt. ... ..	212,109	332,516	—	—
Hemp, cwt ... ..	103,133	224,219	—	—
Raw silk, lb. ... ..	658,142	1,509,218	188,626	85,524
Cotton, cwt.... ..	362,196	396,889	103,134	140,814
Wool, lb. ... ..	7,122,013	9,119,716	1,614,742	990,588
Tallow, cwt. ... ..	99,332	205,943	—	—







This return is fully as favourable as had been anticipated, a large increase of bullion being accompanied by a considerable diminution of circulation, as well as of advances on stocks and shares, the latter having now been brought down to a comparatively insignificant amount. The augmentation in the stock of specie during the month has been £1,390,000, and the total held is £7,930,000. The circulation has diminished £492,000, but the wants of the commercial public appear not to have been pressing, the deposits of the public having experienced an increase of £541,000, although the accounts have undergone a reduction of £312,000. The prevailing rates must therefore have led to general economy in the use of capital, and also to a contraction of business as far as practicable. In the Treasury balances there has been an increase of £107,000. The advances to the Bourse show a curtailment of £332,000 on stocks, and of £500,000 on railway shares. For the purchase of bullion during the month the premium paid has amounted to £17,300 against £25,400 in the previous return, and the total expended within the year in this manner has been £124,000.

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### THE ROYAL BRITISH BANK.

THERE is now some prospect of a conclusion of the disastrous litigation which has attended the failure of this bank. The proceedings again occupy a considerable space in the present number, but they have now arrived at a point which will afford some satisfaction both to the shareholders and depositors. The Lords Justices have decided that the Court of Chancery shall deal with the case so far as relates to settling the list of contributories and the payment of calls, but that the liquidation of the estate shall take place under bankruptcy, and in conformity with this arrangement, the greater portion of the assets has been delivered to the assignees and their representatives. A first dividend of 5s. 6d. in the pound has consequently been declared, and every expedition will now be used to realise and distribute the property and to effect a general adjustment.

#### MEETING OF DEPOSITORS.

A MEETING of the depositors and shareholders of the Royal British Bank was held on December 2, in Freemasons'-hall, for the purpose of considering the course pursued by the official manager in appealing against the decision of the Vice-Chancellor, and thereby preventing the declaration of dividend. There was not a very large attendance. Mr. J. Wyld was called to the chair.

The Chairman, in opening the proceedings, observed, that Mr. Taylor, who had hitherto presided over the meetings of the depositors, was prevented from being present, but he had sent a letter in which he expressed the greatest indignation at the conduct of Mr. Harding, the official manager, and called upon the shareholders to denounce the proceedings of that gentleman in the strongest terms. The present meeting had been convened by the committee of depositors. Since the last meeting an adjudication in bankruptcy had been obtained, and a large sum of money had been collected by the official manager. In addition, a considerable portion of the assets of the bank had been realised, amounting, he believed, to £130,000, or £150,000. After the adjudication in bankruptcy and the learned judgment of Mr. Commissioner Goulburn, it was supposed that the official manager, appointed under the Winding-up Act, and acting under the instructions of



certain shareholders of the British Bank, would quietly have allowed the affairs of the bank to be carried on under the superintendence and jurisdiction of the Court of Bankruptcy; but, unfortunately, that gentleman, representing only himself and being careful only of his own interests, had appealed against that decision. (Hear, hear.) The decision and the appeal against it would come on for hearing to-morrow. After the appointment of the official assignee in bankruptcy, an application was made by Mr. Harding, the official manager, to prevent the official assignee from receiving any portion of the assets, and, indeed, Mr. Harding went so far as to endeavour to obtain an injunction against the official assignee. A bill in Chancery was in the first place filed by the official manager, and then an injunction was applied for not to restrain the official assignee from administering the funds, but only to prevent him from interfering with the official manager. An application was subsequently made to the Vice-Chancellor against the official assignee for contempt. During the time that the affairs in bankruptcy were going on, an application was made to the chief clerk of the Vice-Chancellor to delay the appointment of an official manager, but, notwithstanding that the committee of depositors attended both personally and by counsel, an appointment took place. Immediately after the appointment was made, the official manager, thinking himself in the full exercise of all his functions, looked upon the estate as in his own hands, and from that hour to this had prevented a proper winding up of the affairs of the bank in Bankruptcy. He (the chairman) believed that the assignees were in a position to declare at once a dividend of 4s. or 5s. in the pound, payable on the 23rd instant, and they looked forward to being enabled to pay a dividend of 10s. by the end of January; but if the official manager were allowed to pursue his present reckless course, the shareholders would be involved in great expense, and a delay of six or eight months would take place before the first dividend could be paid. (Hear, hear.) The official manager appeared to have only an eye to his own interest, but he trusted that meeting would teach him that he was playing a rather dangerous game with 5,000 of the people of this country, many of whom were at this moment in a state of destitution and want. To show that the official manager had only been actuated by personal motives, he (the chairman) would call attention to this one fact—that when the adjudication in bankruptcy took place, the official manager urged the directors of the bank to appeal against it. They refused, and the official manager then went to the chief clerk and obtained an order from him. (Ories of "Shame!") The official assignee had been recommended by Mr. Commissioner Goulburn to apply to the Vice-Chancellor to have the assets delivered up to him, and while that motion was being argued, and while it was supposed that the official assignee might receive a portion of the assets from the official manager, what did the official manager and his advisers do? Why, he placarded all the different branches of the bank with bills, and issued 300 or 400 writs against the creditors, there being no necessity whatever for such a step, and the only conceivable object being to put costs in his own pocket. (Hear, hear.) The Vice-Chancellor treated the whole proceeding as shameful, and ordered everything to remain as it was. The assignees then thought that they had a right to collect as much of the money owing to the bank as they could, and the official manager then applied to the Court for an injunction to restrain them. (Hear.) Solely through his proceeding the administration of the estate had been delayed, and the object which Mr. Harding had had in view appeared to have been not to benefit the shareholders and depositors, but to secure for himself the largest amount of percentage and costs which he could possibly obtain.



(Cheers.) To-morrow the Lords Justices would decide the appeal which had been made; and if it were in favour of the committee, within twenty-four hours afterwards they ought to be in a position to receive the affairs from Mr. Harding, and yet it was said that in such a case Mr. Harding would cause further delay by appealing to the House of Lords. (Cries of "Shame!" and "Lynch him!") This being the state of affairs, the committee had convened the present meeting, in order that the shareholders and depositors should be afforded an opportunity of expressing their indignation. The state of the law itself was, no doubt, very bad, but it was only by an expression of public opinion that they could hope to shame the official manager into anything like decency. (Loud cheers.) The assignees in their anxiety to protect the estate had entered into negotiations with the official manager, and offered him certain terms; but unless he could have two-thirds of the estate, he refused to enter into any negotiation at all. (Cries of "Shame!") He (the chairman) was not at liberty to enter into full details of the negotiation, but he believed that if he were to do so the cries of "Shame" would be even still louder than they were. Every one who was at all interested in the affairs of the bank must feel that the Court of Bankruptcy was the only proper court to deal with the matter. He did not wish any shareholder who might be present to go away with the feeling that the depositors did not sympathise with them. He felt assured that the depositors felt the warmest sympathy for their fellow-sufferers, and he believed that the only way in which the pockets of both parties would be saved would be to place the sole power of administering the estate in the hands of the Court of Bankruptcy. (Cheers.) Under the Winding-up Act the official manager would receive the enormous sum of £21,000, but the whole cost of administering the estate in the Court of Bankruptcy would amount to £6,000. At the present moment many executions had been taken out against shareholders of the bank by judgment creditors; but if the affairs were properly managed in Bankruptcy none of those executions would be effective. (Hear, hear.) It might be asked how much of the assets of the bank would be administered in the Court of Bankruptcy. Mr. Coleman stated that the assets were about £230,000, and a call which had been made realised £150,000, so that in round numbers the Court of Bankruptcy would have about £400,000 to administer. Under the bankruptcy law the call became an asset, and could be immediately administered, whereas, if the official manager by any quibble of the law were enabled to retain the management of the estate, it might be months before the list of contributories would be settled and a call made upon them. (Hear, hear.) Mr. Harding said that he had used great skill and exertion, and that he had collected enough to pay a dividend of 5s. in the pound. He (the chairman) was sorry to say that that statement was not true. The money was lodged in the bank in the joint names of Mr. Harding and the Vice-Chancellor, and that the Vice-Chancellor had refused to give his consent to the withdrawal of the money by Mr. Harding. (Hear, hear.) That money was the property of the assignees; they had demanded it, and supported by the opinion of the shareholders and depositors at that meeting, he hoped they would soon be enabled to distribute it. If, however, the official manager were allowed to continue the protracted litigation which he had commenced, it might be months, and perhaps years, before the estate would be administered. (Cheers.)

Mr. Maxwell moved the first resolution:—

"That this meeting views with regret the pertinacity with which the official manager of the Royal British Bank resists the measures taken to secure an early, equal, and just administration of the assets in the Court of Bankruptcy, and that both the shareholders and depositors regard his ap-



peal from the decision of the Vice-Chancellor as antagonistic to their interests, and only calculated to delay any dividend, diminish existing assets, and create enormous but wholly unnecessary law costs."

He looked upon the proceedings of the official manager as precisely similar to those of a man who, having found a pocket-book in the street, refused to give it to the owner unless he would divide the contents with him. He trusted that hereafter proper steps would be taken for remedying the present state of the law, and awarding to the fraudulent bank director the same punishment which attached to the most insignificant thief. (Cheers.)

Mr. Richardson seconded the resolution.

Mr. L. Goddard said, he was one of the 70 gentlemen who were alleged shareholders. He represented those gentlemen that evening, and he was anxious to say that one reason why they had banded themselves together was that they thought the depositors had exhibited a desire to exact unreasonable terms from them. It had been stated on several occasions that the shareholders were in a position to pay 20s. in the pound. The shareholders were, however, anxious to effect a compromise, and therefore they had formed themselves into an association. At the same time, he could assure the meeting that there was not one of the 70 gentlemen whom he represented who did not feel the warmest sympathy for their fellow sufferers in this great swindle, and who would not go hand and hand with the depositors in putting a stop to the iniquitous proceedings of the official manager. (Loud cheers.) He hoped that the depositors would find it to their interest to come to terms with the shareholders. They were all swindled together—both the depositors, who had placed their money in the bank, and the shareholders, who had gone a step further and taken for their deposits those villainous pieces of paper which were called "shares." The shareholders were now endeavouring to ascertain what every one of their body was worth, in order that a common fund might be raised, to which each would be called on to contribute according to his means. They did not countenance the step which Mr. Harding had taken, but on the contrary they desired that the affairs of the bank might be administered by the Court of Bankruptcy. (Cheers.)

In reply to a Shareholder,

The Chairman stated that the Messrs. Linklater had been indefatigable in their exertions on behalf of the depositors and shareholders, and that if the affairs of the bank were in the Court of Bankruptcy the whole estate would be distributed in a few months.

The resolution was then put by the Chairman and unanimously agreed to.

Mr. Foster moved the next resolution:—

"That the early division of existing assets among the creditors of the Royal British Bank and the immediate cessation of further litigation on the part of the official management is of paramount importance both to depositors and shareholders, upon whom exclusively the hardship of delay and the eventual payment of the law costs must fall; and the depositors and shareholders, therefore, concur in denouncing the litigious conduct of the official manager, dictated with a view to his own interests rather than a regard to those of the depositors and shareholders."

In regard to the statement of Dr. Goddard, he wished to state that if the shareholders had been anxious to effect a compromise, they ought to have met the depositors long before this, and offered them so much in the pound. (Hear, hear.)

Dr. Wakley seconded the resolution, which was unanimously agreed to.

A vote of thanks to the Chairman then brought the proceedings to a close.



*Court of Bankruptcy, Basinghall-street, Dec. 2.—(Before Mr. Commissioner HOLROYD.)*

## IN RE THE ROYAL BRITISH BANK.

The question was again brought before the Court of the form of order that should be made upon the directors of the bank in respect to the preparation of their balance-sheet.

Mr. Linklater appeared for the assignees; and Mr. Reed, Mr. Paddison, Mr. Mason, and Mr. Venning for various directors.

After some discussion the form of order was agreed upon. The accounts required being very similar to those furnished under all other bankruptcies, the order itself contains nothing of any public interest.

Mr. Lawrance applied for leave to give notice of motion for Friday next, calling upon the assignees to present a petition to the Court of Chancery to appoint a receiver, under the 28th section of the 7th and 8th of Victoria, chap. 111, the effect of which would be to give the shareholders of the bank protection against individual creditors who were proceeding to recover their debts by action against the official manager. Mr. Lawrence insisted that the appointment would be equally beneficial to the creditors and the shareholders. It would ensure equal contributions from the shareholders, and protect the latter from actions at the suit of individual creditors.

Mr. Linklater expressed his regret that the contemplated arrangements had not been concluded, and that the official manager had determined on prosecuting the appeal against the decision of the Vice-Chancellor. That appeal would come on to-morrow (Wednesday) before the Lords Justices. It was the wish of the assignees that this application of Mr. Lawrance should be by petition, and not by motion, in order that the parties might be properly before the Court, and that the facts upon which they relied might be known to the assignees. The effect of the appointment of a receiver would be to transfer the administration of the estate from the Court of Bankruptcy to the Court of Chancery.

After some discussion, his Honour declined to appoint a day for considering Mr. Lawrance's application. The proper form of application would be by petition, but it would be very desirable that the matter should stand over until a decision on the appeal had been given by the Lords Justices.

In order to make this and preceding applications to the Court fully intelligible to the general reader, it may be stated that in the Court of Common Pleas on Tuesday last a rule for execution was made absolute upon a shareholder of the bank for the payment of a debt of costs to Mr. Morisse, a creditor of the bank, for £214. This was the first execution obtained against a shareholder, and, the amount of the debt and costs having since been paid to Mr. Morisse's solicitor (Mr. Ohidley), every shareholder is held to be similarly liable to an action. In the present position of affairs these actions can only be stayed by the appointment of a receiver by the Court of Chancery, on the petition of the assignee of this Court. It is alleged that the assignees were unwilling that this application for the appointment of a receiver should be made, for various reasons, including this—that the question might arise whether it could not be held to be a waiving of the rights of creditors. In the present position of affairs the shareholders are thus left without relief alike from the Courts of Chancery, Bankruptcy, and common law.



*Court of Chancery, Lincoln's-inn, Dec. 3.—(Before the LORDS JUSTICES OF APPEAL.)*

AITCHISON V. LEE.—IN RE THE ROYAL BRITISH BANK.

Sir Fitzroy Kelly, Mr. Glasse, Mr. Phipson (of the common law bar), Mr. W. D. Lewis, and Mr. W. Murray (of the common law bar), appeared in the above case in support of an appeal from a decision of Vice-Chancellor Kindersley, which was reported at great length on the 25th ult. The decree is supported by Mr. Rolt, Mr. Joseph Brown (of the common law bar), and Mr. G. M. Giffard.

Sir Fitzroy Kelly stated that he had the honour to appear before the Court in support of an appeal of the official manager against an order of his Honour, whereby he had directed that all papers, books, moneys, and effects of the Royal British Bank should be handed over to the official assignee of the Court of Bankruptcy, and likewise in support of a motion praying an extension of the injunction granted by his Honour against any interference with the official manager in the property and effects of the bank. The importance of the questions to be submitted for the consideration of the Court could scarcely be exaggerated, and, simply remarking the very great interest excited in the public mind by all the proceedings relating to this unfortunate speculation, he would express his regret that the hearing in the court below had been defaced by imputations thrown out, and his trust that they would be abstained from here. He would proceed to the points at issue. Whatever objects some of the litigant parties might have, those whom he (Sir Fitzroy Kelly) represented and the friends who acted with him had no other object whatever in view—and the Court would have only that object—than to do speedy and substantial justice, without any prejudice or favour whatever. In the present case there was a discretion to be exercised, and the Court would doubtless so exercise it as to afford to the unfortunate litigants speedy and substantial justice, by placing the assets and estate in the hands of those persons who would most speedily and effectually administer it. The grounds for seeking to reverse the order of the Vice-Chancellor and to call into active operation the provisions of the Winding-up Act were two in number; the first went to the root of the matter, and was whether there had been a valid act of bankruptcy committed, and, therefore, whether there was any ground for the adjudication; and the second was whether, when a petition for winding up had been presented and an order had been made absolute, an order of adjudication (even a valid order) pronounced afterwards, but before the appointment of an official manager had been made, the adjudication could dispossess the Court of Chancery of the jurisdiction to proceed with its own order. There was also another point which it was much to be regretted was not ripe for decision, as it might have been more conveniently considered at the present time,—namely, that there was a petition to the Commissioner to dispute the validity of the adjudication, and which would after decision be sent to this court by way of appeal. The ground, or one of the grounds, of that petition was, that there was no valid act of bankruptcy. The learned counsel stated that the Royal British Bank was established by charter, and had several branches in divers parts of London, and stopped payment on the 3rd of September, 1856. There were four petitions to wind up its affairs under the Winding-up Act; the first was presented on the 6th of September, the second and third on the 9th of September, and the fourth on the 12th of the same month. On the 8th of September Mr. Elliott made an affidavit of debt, and served a writ of summons on the bank for payment of a debt due to him. On the 20th of the same month the bank was dissolved pursuant



to the provisions of their charter, and four days after the Court of Chancery made an order absolute for winding up its affairs upon all the four petitions; and the same was duly enrolled in October. On the 27th of September an interim manager was appointed, and an order was made upon the directors to deliver all the estate and effects of the company to him. On the 9th of October, the month's time given by the act for payment or composition of the debts expired, and the adjudication was pronounced. On the 13th of October an official manager was appointed, and the Court made an order to commit the official assignee; on the 22nd of October the order was registered in the Middlesex office, and the same day the adjudication was confirmed, and two days after the Court ordered that all the estate and effects should be paid over to the official manager. The debts of the company amounted to half a million, the assets were £300,000, and the deficiency therefore was £200,000. The creditors were to be paid, and, if so, it could be done best, or rather could only effectually be done, under the Winding-up Act. If the present act of bankruptcy were good, it consisted in the fact that the British Bank had failed to do that which the order of the Court of Chancery had rendered impossible, and which an act of Parliament had declared to be absolutely unlawful. The 7th section of the 7th and 8th of Victoria, c. 111, enacted that if a company should be sued, and should not within one month pay, or secure, or compound the debt, or show to a judge that it had a good defence to the claim, it should be deemed to have committed an act of bankruptcy from the time of the service of the summons. This had been done on the 8th of September, and on the 8th of October, no payment being made, the act of bankruptcy, if nothing else were involved, would have been committed. The appellants, however, contended that as a petition to wind up had been presented and the order had been made absolute, the month elapsed, the directors being forbidden to pay any debt, or otherwise part with any of the assets of the company; so that the Court was called upon to hold that a company had committed an act of bankruptcy for not doing what itself had ordered not to be done. The legislature, plainly, in passing the Winding-up Acts contemplated bankruptcy, for by the 5th section it was enacted that on the happening of certain events a company should be deemed to have committed an act of bankruptcy, the sixth event being the non-payment of a debt within three weeks after service of a summons. This was done by the same legislature that had already made the time one month. By the 19th section it was enacted that, from the date of an order absolute to wind up, the directors should not pay or dispose of the assets of the company otherwise than under the direction of the Master, so that the Court of Chancery, fully aware that a writ of summons might be issued, made an order that the directors should not pay, and so was the cause of the month's time expiring. The first question, then, was whether, the company not having paid money which the Court had forbidden to be paid, and to pay which an act of Parliament declared to be illegal, the Court of Chancery would consider, in its bankrupt jurisdiction, that an act of bankruptcy had been committed?

Lord Justice Knight Bruce—Suppose, with the month expired, Mr. Elliott could have been compelled to refund the money if it had been paid—that is, before the appointment of the official manager?

Sir F. Kely—No doubt he could have been compelled to refund the money to the official manager. Whether or not an action would lie against the company for paying money which the act of Parliament declared to be illegal, need not be considered. It was sufficient that it was an illegal act; and the Court of Chancery itself had by its order forbidden it to be done. The authorities were few in number, and by no means conclusive on the



point at issue, though by analogy they were strong. In *re Stamp* (1 De Gex, Bankruptcy Cases, 345) it was held that the neglect of a trader to pay a debt in due time by reason of lunacy was not enough to support the act of bankruptcy; and in *Ex parte Musgrave* (3 Montagu, Deacon, and De Gex, 386) one fiat was issued, and before the time had expired a new fiat was issued by the same creditor, and the debtor did not pay at the time appointed, and there the Court held that there was no good act of bankruptcy. These two cases very plainly showed that if the default of payment arose from the act of Providence in the case of lunacy, or the act of the creditor in the other case, there was no good act of bankruptcy; nor could there be any such where the default arose from the act of the legislature, or the act of this Court. Such was the first point upon which the appellants relied. The second point was whether the Court of Chancery could properly abandon its jurisdiction in favour of the Court of Bankruptcy in a case where an order had been made? And, indeed, it might be asked whether the Court had any such power? However that might be, it was plain that the machinery of the Winding-up Acts was ample for the purpose, while the jurisdiction in bankruptcy was not so. Creditors might be settled with by the latter out of the assets so far as they would go, while under the Winding-up Acts not only the creditors but contributories could be dealt with. The proceedings in bankruptcy might continue three, four, or five years, during which the contributories might disappear, and further application to the Court of Chancery would be useless.

Lord Ernest Knight Bruce asked who was the petitioner to annul the adjudication?

Mr. Lewis replied, Mr. Marcus, a creditor and also a contributory, and that Mr. Taylor, who was in Court, would state what was intended to be done.

Mr. Taylor, in answer to questions from the Court, said that he *bond fide* intended to proceed with the petition, and that, if all parties wished it, he would have it heard during the present discussion.

Counsel on both sides then arranged that an order of course could be obtained from the Commissioner, so that to-morrow the petition could be heard concurrently with the present appeal.

Sir Fitzroy Kelly continued his argument, entering into a very full, and, indeed, a very elaborate investigation of the various sections of the Winding-up Acts, and concluded, after a four hours' address, by calling on the Court to vary the order, and to enable the most unfortunate persons plunged into this litigation to obtain a fair and honest payment of the moneys due to them.

Lord Justice Knight Bruce—Shareholders, creditors and contributories are alike worthy of the most intense commiseration. Who among them will ever obtain any benefit from this mass of litigation? If, at some future time, the Lord Chancellor or the Lords Justices should hold that the adjudication must be annulled, or, acting upon discretion, that it should be annulled, what benefit will have accrued from all this litigation?

Mr. Rolt—Neither the directors nor the great body of shareholders make any dispute about the bankruptcy.

Mr. Glasse was heard for the appeal until the rising of the Court.

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*Court of Chancery, Dec. 4th.—(Before the LORDS JUSTICES OF APPEAL.)*

AITCHISON v. LEE—IN RE THE ROYAL BRITISH BANK.

Mr. W. D. Lewis (on the same side as Sir F. Kelly and Mr. Glasse) stated that, instead of repeating the able arguments which had been addressed to



the Court by his learned leaders, he should state what appeared to him to be the argument on which the respondents principally relied. Counsel who were instructed to support the adjudication insisted that the title of the assignees was paramount to the title of the official manager by reason that the appointment had relation back to the commencement of the bankruptcy, and notwithstanding that the appointment of official manager intervened, and from this it was contended that the assets of the company were legally vested in the assignees. The answer of the official manager was this—that the Winding-up Acts gave a satisfactory title, which had the effect of preventing the effect of any relation back. That was a complete answer to that proposition, and it was plain from the words of the Winding-up Acts that all the property and effects of the company did pass to and vest in the official manager immediately upon his appointment. With respect to the legal title, the learned counsel said he should not at present contend, though he did not admit it, that it was not vested in the assignees. But plainly the beneficial, the equitable title was vested in the official manager, and the assignees were no more than trustees for him, and bound to deal with the legal title in such manner as the Court should think right. The Winding-up Act contemplates the fact of bankruptcy, for it enacts that, on the commission of any act of bankruptcy under the provisions of an earlier statute, a winding-up order may be made, and this was plain to demonstration from the wording of the 5th and 19th sections of the Winding-up Act.

Lord Justice Knight Bruce—It is, to say the least, remarkable that, if the legislature contemplated that a bankruptcy could take place after a winding-up order had been made, it did not provide for such a case. I do not observe that the act of Parliament provides for any indemnity for acts done by the official manager under the winding-up order after the fact of an adjudication being made.

Mr. Lewis—There is no such provision, and that forms another point made on behalf of the appellants. What is here attempted is to create a new species of bankruptcy, and, if the Vice-Chancellor's order be supported, that new species will be created, for it will do more than any simple adjudication of bankruptcy could effect. Sir Fitzroy Kelly had pointed out the difference between the Bankrupt Act and the Winding-up Act; the former limiting a month, at the end of which, if payment were not made, a creditor might proceed in bankruptcy, while the latter shortened the period to three weeks, incontestibly indicating that a contributory was intended to be placed in a more favourable situation than a mere creditor. This was followed throughout the two statutes whenever a period was fixed for the doing of any acts; and this was done for the purpose of providing against the contest of jurisdiction, which in this case had unfortunately arisen, and at such a ruinous expense to the litigants themselves. It had been contended, that from the time of the commission of an act of bankruptcy, twelve calendar months were allowed within which an adjudication might take place, and if that were so, and if the doctrine of relation were to be sustained, no act under the winding-up order could be done until after the expiration of that time. That the doctrine of relation, as contended for on the other side, was directly at variance with the decision of *Sidebottom v. Barrington* reported in the 3rd volume of Beavan, page 524, where there were proceedings in insolvency, and afterwards a fiat in bankruptcy was issued, founded on an act of bankruptcy committed before the date of the insolvent proceedings, and the Master of the Rolls held that the doctrine of relation did not apply, and the insolvency was undisturbed. That it was impossible for the two proceedings to go on together, was plain from the wording of the two statutes. The Bankrupt Law Consolidation Act enacted that on the appoint-



ment of assignees all the bankrupt's estate should absolutely vest in them ; so in the Winding-up Act the exactly identical words were used as to the vesting of the estate in the official manager. To revert to the point of legal title, it was to be remarked that the Winding-up Act enacted that the registration of the order appointing an official manager had the same effect as the registration of a deed conveying estates. Thus, as the property of a bank of a leasehold character in seven places in the metropolis was, with the exception of the Welsh works, in the county of Middlesex, and as the appointment was registered, the official manager had not a mere equitable, but, in fact, a legal title to that property.

Mr. Phipson and Mr. W. Murray were heard on the same side.

Mr. Bacon and Mr. Huddleston then proposed to open the petition of Mr. Marcus, praying that the adjudication should be annulled.

Mr. Rolt, as a preliminary objection, said that Mr. Marcus had no *locus standi*, for that he had not paid a call made upon him by the directors, and was thereby a larger debtor to the bank than a creditor against them.

Mr. Taylor was called as a witness for the appellants, but only for the purpose of being cross-examined on behalf of the respondents. He said he was the solicitor for Mr. Marcus, but had never been employed by him before. He had not been introduced by Mr. Harding, the official manager, to Mr. Marcus, and when he saw Mr. Harding, that gentleman did not say to him, "So you have come for your instructions," or any words to the like effect. He made no charge against any one for a notice on behalf of Mr. Marcus to dispute the adjudication ; he did it as a matter of courtesy. As to the costs of the petition, Mr. Marcus is and was liable to him. There had been no indemnity nor offer of indemnity. Had had no communication with Mr. Harding upon the subject of the petition, and most certainly not as to any indemnity. Had been retained by Mr. Gillott and many other shareholders.

Mr. Marcus was called with the same view, and upon cross-examination by Mr. J. Brown said he never employed Mr. Taylor before ; was liable to him for the costs ; had never been offered any indemnity. He had been introduced to Mr. Taylor by a relation (Mr. Argles), and had no promise whatever from any one whomsoever that he should be repaid any costs he might pay to Mr. Taylor.

Mr. Johnston was called as a witness for the respondent, and said he was a messenger of the Court of Bankruptcy, and was present when Mr. Harding said to Mr. Taylor, "I suppose you have come for your instructions." Took a note of the words at the time they were uttered, and handed it to Messrs. Linklater and Hackwood.

At the close of the examination the Court decided that the counsel for the petitioner to annul should be heard, all Mr. Rolt's objections being reserved to him upon the merits.

Mr. Bacon then opened the petition, stating that after five counsel had been heard against the legal validity of the adjudication, and there would be a reply, he should have little to add to the able and voluminous observations that had already been addressed to the Court. He insisted that the Bankrupt Act and the Winding-up Act should, as they were by the legislature intended to be, be read together, and so interpreted. He continued his address until the rising of the Court, at past four o'clock.

Mr. W. D. Lewis and Mr. Huddleston were on the same side upon the petition.

Mr. Rolt is to proceed to-morrow.

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*Court of Chancery, Lincoln's-inn, Dec. 5.—(Before the LORDS JUSTICES OF APPEAL.)*

AITCHISON V. LEE.—IN RE THE ROYAL BRITISH BANK.

Mr. Rolt said he appeared for the great body of creditors, who were represented by their own and by the official assignees, and he also appeared for Mr. Maxwell; and it was his duty to submit to the Court that the proceedings in Bankruptcy and those under the Winding-up Act could and must be prosecuted together for the benefit of the creditors; but that the bankruptcy, being a proceeding especially for the benefit of creditors, should for their benefit be first worked out, and that then and not till then, the winding-up proceedings should be adopted, that act being especially intended for the benefit of contributories. Before proceeding to deal with the legal points which had been made on the other side, it would be advisable to point out a few facts bearing upon the conduct of parties, and founding the title of the Court to excuse its equitable interference with the bankruptcy, and from which it would be found that any such interference could only be suggested by the phantoms of ingenuity existing in the minds of the appellants. The Court had yesterday asked several times what was the statutory authority under which the Vice-Chancellor made the order for the delivery up by Mr. Harding of all the books, &c., to the official assignee. Upon the general principles of the Court no such authority was necessary, and if the Court found that its officer had laid his hands on the property of another it would order restitution to be made. True it was that the officer of the Court could not be interfered with, for that would be a contempt of Court, but the Court would of itself set the matter right.

Lord Justice Knight Bruce—Then, do we understand you to represent the official manager to be in the same position as a receiver?

Mr. Rolt—It is put on behalf of the respondents that he is in the same position as an officer of the Court. The learned counsel entered into a long statement of the dates of the filing of the bill, and of the motions made in the suit and under the bankruptcy, and complained that if any extended injunction, in support of which Sir Fitzroy Kelly now appeared, were wanted, the desire to apply for it ought to have been disclosed at the time the respondents moved to discharge the injunction which had been obtained, and at the present time to bring it forward was a most wanton piece of extravagance, seeing the enormous amount of costs which would be thereby incurred. The question of the authority of the Court of Chancery over its officers, and even those who interfered with them, was fully discussed by Lord Truro in the case of *Russell v. The East Anglian Railway Company* (1 Mac and Gordon's Reports, 125); and he held that such interference was a contempt of Court, but that he would direct restitution to be made to the true owner, with whose property the receiver had interfered. The learned counsel then proceeded to show the state of the assets as represented by the directors at the end of 1855 and the middle of 1856; and stated that every proceeding in the bankruptcy was taken with the concurrence of the great and almost universal body of the creditors, with the utmost openness and publicity, and was acquiesced in by the contributories themselves. Even the directors who now supported the adjudication were at first opposed to it, although they had since been, as appeared from affidavits lately filed by Mr. Paddison, their solicitor and secretary, frequently urged by Mr. Harding, the official manager, and his solicitor, to oppose it. Under the proceedings in Bankruptcy £250,000 of debt had been proved, and a large sum was in hand for distribution, and would have been, but for the vexatious proceedings of



Mr. Harding, distributed among the parties entitled. Several passages were then read from these affidavits, and ultimately the learned counsel arrived at the point of his argument which related to the legal title of the assignees. It was contended that the legal title to the assets and estate of a bankrupt was, as from the time of the act of bankruptcy being completed, vested in the assignees, and that therefore, in this case, the title of the assignees dated from the 8th of September, and the only sense in which they could be considered as trustees was as trustees for the creditors, and only those who proved under the bankruptcy. Thus, there was no jurisdiction in Bankruptcy to interfere with the assignees, nor was there any within the jurisdiction of equity, and no special jurisdiction was created for the purpose of the Winding-up Act; and if there were any such, whether in Bankruptcy, Chancery, or under the Winding-up Act, this Court was bound to exercise it in conformity with the wishes of the creditors themselves. The creditors were entitled to exercise their option, and, however beneficial the protection of the Court might be to them, they were not bound to accept it. Assuming—as it must be assumed, for no argument had been adduced against it—that the legal validity of the adjudication was undisputed, it was important to see to what an extent the Courts had gone upon the question of relation in Bankruptcy. This subject was greatly illustrated by an argument of Mr. Justice Willes, then at the bar, in *Cameron v. The South Eastern Railway Company* (7 Exchequer Reports, 145), where it was shown that it originated so long back as a statute of Queen Elizabeth. In the case of *Cofferdale v. Bridge* (2 Burrows' Reports), a sheriff seized goods of a debtor, and afterwards an act of bankruptcy was committed, whereupon the sheriff made a return of *nulla bona*, and he was supported by the Court in so doing. The statute 7th and 8th Victoria, cap. 111, was passed for three purposes, the first and third of them being to extend the remedies of creditors, while the second was to facilitate the winding up of companies. The first and third, it was obvious, must be done by means of bankruptcy, but the 22nd section of the act provided that in certain cases an order might be made to wind up, and for that purpose the Lord Chancellor and certain other functionaries were enabled to frame rules and orders for the purpose. Those rules and orders were never made, and thus this section contained the germs of the winding up that was subsequently passed. The object of this attempt at winding up, and which was effected by the Winding-up Act, was to do away with the great and indeed insuperable difficulties in the way of a partner who had been obliged to pay a large sum to obtain repayment from a solvent partner of the share which he ought to have paid. The preamble itself of the Winding-up Act was conclusive that bankruptcy should not be interfered with, for it expressly states that it is expedient to further facilitate the winding up of joint-stock companies, showing that by the statute of the 7th and 8th Victoria, cap. 111, some facilities had been afforded, small as they were. The learned counsel, during his argument, entered into a very elaborate discussion upon and examination of the several clauses both of the act of the 7th and 8th Victoria, cap. 111, and the Winding-up Acts, insisting that the whole scope showed that no interference with bankruptcy was intended, but, on the contrary, was obviously intended to be avoided.

The case will be proceeded with to-morrow.

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*Court of Bankruptcy, Basinghall-street, Dec. 5.—(Before Mr. Commissioner HOLROYD.)*

## IN RE THE ROYAL BRITISH BANK.

This was a meeting for the proof of debts against the estate, and for the last examination of the directors of the bank. The whole of the directors, with the exception of Mr. Butt and Mr. Stapleton, were present at the commencement of the proceedings, and their surrender was accepted. Mr. Stapleton's absence led to some discussion, but, as he surrendered during the day, its publication is unnecessary. It was stated to have arisen only from inadvertence. Mr. Butt's absence was occasioned solely from illness, and an order was made for enlarging the time for his surrender.

Mr. Linklater, for the assignees, said the appeal to the Lords Justices was now proceeding, the official manager having had the advantage of the arguments of the seven learned counsel. The counsel for the assignees would be heard to-day. What he now asked was this:—A petition had been presented to this Court by Mr. Taylor, on behalf of Mr. Marcus, to annul the bankruptcy. Whatever might be the decision of this Court on Mr. Marcus's petition, the necessity would arise for an appeal to the Lords Justices. To facilitate justice, Mr. Taylor was willing to consider with himself that no arguments for annulling the bankruptcy could be offered that this Court had not heard on the occasion of its making adjudication. This would admit of its making an order dismissing the petition of Mr. Marcus, who would thus be in a position to appeal to the Lords Justices, if he thought proper to do so. He had sketched out the form of an order dismissing the petition, to which Mr. Taylor did not object.

Mr. Taylor having concurred,

The Commissioner acquiesced. It was desirable to have the opinion of the superior Court. No person making any objection, it occurred to him to remark that the best course had been taken.

An order dismissing the petition was made accordingly.

Mr. Linklater said the only question now was the adjournment of the examination meeting, and the time to which it should extend. A dividend sitting had been appointed for the 23rd of this month. He hoped that by that time affairs would have taken such a course that a dividend of no inconsiderable amount might then be declared. As regarded the adjournment, it was not likely that the accounts could be ready in less than two months, and he suggested an adjournment to that period. There would be a meeting for the proof of debts at the sitting on the 23rd, and the requisite power would be possessed over the directors. Under the able advice of Mr. Reed, Mr. Lawrance, and Mr. Paddison, the directors would, he had no doubt, give the requisite assistance in forwarding the preparation of the accounts. They were no parties to the appeal. On the contrary, they were unanimously in favour of the proceedings in Bankruptcy.

After considerable discussion, of no public interest,

Mr. Lawrance applied that the directors might receive the protection of this Court. The directors were being sued, and it was of importance that they should be in a position to render all the assistance in their power in the preparation of the balance-sheet.

Mr. Linklater had no objection to the Court granting any protection that it possessed the power to give.

Mr. Reed, for several directors, said he was aware that this Court could afford no protection that would be of value. He should only be too glad if the directors could have the protection other bankrupts had.



The Commissioner intimated his readiness to grant all the protection in his power.

After some discussion, the meeting for the examination of the directors was adjourned to Tuesday the 19th of February next, at 11 o'clock.

Mr. Reed wished to avail himself of the opportunity to say a few words in explanation of the conduct of Mr. Harding, the official manager. It was due to that gentleman to state that he had placed himself in the hands of Mr. Venning, Mr. Lawrance, and himself, and that he (Mr. Harding) was willing that Mr. Lee (the official assignee of this Court) should be appointed receiver. Mr. Harding had not merely placed himself in the hands of Mr. Lawrance, Mr. Venning, and himself; he had also suggested that, as a means of ending all this sad litigation, Mr. Lee should have the whole control over the assets. Mr. Harding was not to blame, and he did not think it fair that there should have been such charges made against him.

Mr. Lawrance confirmed the accuracy of Mr. Reed's statement in respect to the course pursued by Mr. Harding. By the 20th section of the 7th and 8th of Victoria, it was felt that this Court had the power to appoint a receiver. His Honour thought an application for the appointment of a receiver premature. He (Mr. Lawrance) still thought that the suggestion for the appointment of a receiver, if acted upon, would have been beneficial to all parties, and that it might have terminated the legal controversy. Mr. Harding was no client of his, but he felt it his duty to state that his conduct had been most fair and honourable. He had placed himself in the hands of Mr. Reed, Mr. Venning, and himself (Mr. Lawrance), and was quite willing to withdraw, and that Mr. Lee should be appointed. He was, in fact, ready to do anything that could afford protection to the shareholders and creditors. Mr. Linklater, acting under the advice of counsel, declined to assent to the appointment of a receiver. It was apprehended that the appointment of a receiver would transfer the whole of the funds from Bankruptcy to Chancery. In the meantime, what was the position of the unhappy shareholders? They were utterly ruined. It was not the original creditors who were the obstacles to an arrangement, but parties who had bought up debts. Many shareholders were realising their property, and leaving the country, in consequence of all this litigation. This narrowed the number of the contributors from whom the creditors had to obtain payment of their claims. Attacks most unjustifiable, gross, and improper, had been made upon the official manager, an officer of the Court of Chancery, who had exercised his vocation most honourably, and in a manner that entitled him to consideration and respect. If Mr. Linklater had felt justified in consenting to the appointment of a receiver, the present position of affairs might have been averted.

Mr. Linklater said he was exceedingly glad of the opportunity which had been given of discussing the question, to whom was attributable the blame of the litigation that was still pending in this case. After the adjudication of bankruptcy had been confirmed, Mr. Harding had called a meeting of the directors and advised an appeal. What right had Mr. Harding to interfere with the process of the Court of Bankruptcy? Why should he appeal against the decision of that judge in the other Court by whom he was appointed to his office of official manager? When the directors had declined to appeal against the decision of the other Court, Mr. Harding had done so, and the pending appeal had been owing to him and a clerk in the Court of Chancery. If the directors had done what his Honour suggested—come to this Court and signed a declaration of insolvency—no delay would have occurred in the administration of the estate. What right had an official manager to incur all this litigation? At whose expense was it incurred? That of the



shareholders. Mr. Harding was bound to bow to the decision of the judge by whom he was appointed. Yet no less than seven learned counsel appeared in support of the appeal. It was alleged that this step was necessary for shareholders, but it is quite clear that proceedings under the Winding-up Act could not afford protection to any one. Mr. Harding had applied to him to sanction the appointment of a receiver, and said that if a receiver were appointed he would abandon the appeal to the Lords Justices. He (Mr. Linklater) would have consented to that course if it would not remove the assets from the administration of this Court. He consulted counsel (Mr. Giffard and Mr. Brown), and showed Mr. Travers (Mr. Harding's legal adviser) their opinion, that the appointment of a receiver would deprive the assignees of this Court of power, and throw the case into the hands of Chancery. The prosecution of the proceedings in Chancery would occasion great expense. In this Court the expense would be inconsiderable. Only the other day a dispute had been settled in this Court in a matter connected with the estate of Strahan, Paul, and Bates. The matter involved property to the amount of £50,000, and it had been settled in this Court at a cost of £20. In Chancery the case was very different. Seven learned counsel were engaged on one side and three on the other. In this case Mr. Coleman estimated the assets at £299,000. The directors had made a call of £50 per share upon the holders of 3,000 shares. This would have raised the amount in hand to £150,000. There was a further sum of from £40,000 to £80,000 derivable from mining property in Wales. There would thus have been assets about £500,000 to meet £535,000 of debts, or, as the official manager made out (having admitted proofs to that amount), £550,000. The shareholders and directors amounted to 280 persons, and they could not agree as to their liability. Mr. Field represented seventy of the shareholders to-day, and asked that the Court of Chancery should wind up the affairs of the bank. Those seventy shareholders repudiated their liability as shareholders. One of those shareholders, so far from being willing to be held liable for the debts of the bank, now sought to prove against its estate on the ground that he had been induced to purchase the shares by fraud and misrepresentation. These seventy gentlemen were the persons who sought to be protected by the Court of Chancery. His (Mr. Linklater's) only motive in taking the course he had was the cheap and speedy administration of the estate. If the creditors were handed over to the Court of Chancery they would have no safety whatever. He (Mr. Linklater) had been told that he might become the solicitor in the case if the proceedings were conducted in Chancery, and the costs of the solicitor in conducting the proceedings in Chancery would be greater than by prosecuting the case in Bankruptcy. This offer, however, had not influenced him. If the shareholders would only come forward as a body, as they ought to do, there would be about sufficient assets to pay the debts in full. It was of vast importance to the mercantile community and to other banking establishments that the conduct of this bank should be investigated, and that fully and as it could only be by means of this Court. Mr. Giffard and Mr. Brown had given a very strong opinion that the appointment of a receiver would imperil the jurisdiction of this Court, and Mr. Travers had said that such might be its effect. From beginning to end Mr. Harding was the man who had caused all this litigation, and he felt assured that the remarks he had referred to would fall harmlessly on the ears of the Court.

Mr. Lawrance wished to say a few words.

The Commissioner said he was not sure that he had not done wrong in permitting this discussion. He had only done so because he felt that the conduct of a public officer had been attacked. The discussion ought now



to terminate. Both sides had now been heard. If the discussion were permitted to be re-opened, there might be no end to it.

Mr. Lawrance said Mr. Linklater had improperly represented what passed between himself, Mr. Reed, and himself (Mr. Lawrance).

Mr. Linklater said Mr. Lawrance would encroach on the Court on the strength of his having a good pair of lungs.

Mr. Bagley—I thought the meeting was one for the proof of debts.

Mr. Lawrance said that, notwithstanding the impertinent observation of his friend Mr. Linklater, he should exercise his lungs as long as he pleased, and proceeded to state that Mr. Reed and himself had offered to accompany Mr. Linklater to Vice-Chancellor Kindersley's chambers, and obtain an order to terminate the controversy. He considered it his duty to say this, Mr. Harding having been attacked.

A warm altercation here ensued, Mr. Linklater "denying" altogether a statement made by Mr. Lawrance, and the latter rejoining that "his friend had made an assertion that was not true."

Mr. Mason re-opened the question of "protection."

The Commissioner said he would look into the act of Parliament and see what could be done.

A proof was tendered by Mr. Field for a shareholder (Mr. Delarue) for the amount paid for his shares. There had, it was alleged, been misrepresentation. It was this that had induced Mr. Delarue to purchase the shares, and Mr. Field contended that so far from Mr. Delarue being liable for the debts of the bank, he could recover the amount paid for the shares. There were, it was stated, sixty or seventy shareholders in the same position. Mr. Field was willing that at present the alleged debt should be entered only as a claim.

The Commissioner said that he could not permit this. At present there was no *prima facie* case for the claim. An entry might be made on the proceedings that Mr. Delarue's claim was adjourned for consideration. An observation had been made during the day that a call of £50 per share had been made upon the shareholders. Was that call made at such a time and under such circumstances that the assignee could recover the amount from the shareholders?

Mr. Lawrance—The call was not made until the act of bankruptcy was committed, on which my friend Mr. Linklater relies.

Mr. Linklater said that there were contracts into which a man might enter after the committal of an act of bankruptcy that would be binding.

Mr. Lawrance would even now consent to the appointment of a receiver, on conditions that might prevent the necessity of the Lords Justices giving judgment.

Mr. Linklater—I will consent to anything that your Honour thinks I can do.

The matter then dropped, and the adjournment to the 19th of February was ordered.

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*Court of Chancery, Lincoln's-inn, December 6.—(Before the LORDS JUSTICES OF APPEAL.)*

AITCHISON v. LEE.—IN RE THE ROYAL BRITISH BANK.

Mr. Bolt continued his argument, and further enlarged upon the objects of the statute 7th and 8th of Victoria, c. 111, and of the latter statutes, the Winding-up Acts, the former being passed for the benefit of the creditors exclusively, while the latter were chiefly passed for the benefit of the contributories, and, if at all, only indirectly for creditors. In the case of a company of partners insolvent a creditor, it was true, could do many things



in the Court of Chancery which but for the Winding-up Acts he could not do; but that was a very small boon to one who under the bankrupt law had a paramount right plainly and at once to compel payment, so that he was, in fact, placed in a worse position and not in a better. The arguments on the other side were, that under the provision of the 19th section of the act there was no valid act of bankruptcy, for that the non-payment of the money arose from the enactment in the Winding-up Acts rendering it illegal to part with any of the assets except under the direction of the Master. The only words applicable were, "It shall not be lawful," not that it shall not be illegal; and in that was one of the many fallacies in which counsel on the other side had indulged. Then, it could not be said that it was impossible to pay the money, because the act of Parliament had stripped the company of all its property, and, even if it were so, that was no reason for contending that non-payment was not an act of bankruptcy. Even if an act of Parliament rendered a thing impossible to be done by taking all the debtor's property from him, it did not relieve him from the duty of payment, as was shown from the case of *Hornby v. Holditch*, reported in a note to *Ludford v. Barber* (1 Term Reports, page 92); and if such a state of things was no answer to an action at law, so it could not be any answer to an extensive execution of a bankruptcy. In this court this point had been decided in *Ex parte Walker*, reported in the 24th volume of the *Law Journal* (Bankruptcy Reports, page 26), where a trader debtor summons was issued, and before the eighth day arrived the clauses for private arrangement were set in motion, and the debtor had no money wherewith to pay, when it was held that this did not in any way interfere with the fact of their having been a valid act of bankruptcy. The learned counsel also referred at length to the case of *Beswick v. Swindell* (3 Adolphus and Ellis, 368). To revert to the authorities which had been cited on the other side. With regard to *Wynne v. The Shropshire Union Railway Company*, before Lord Truro, the only decision was of the simple dry proposition of law, that if an act of Parliament rendered the doing of an act illegal, it excused the party who had contracted to do that act from its performance. Then the case of *Ex parte Stamp* did not in any way affect the legality of a non-payment; it merely showed that lunacy or fatuity would excuse the non-performance of a duty. *Ex parte Musgrave* was a case where the same party who instituted the proceedings rendered their completion impossible, and he was not allowed so take advantage of his own wrong, and therefore the non-payment was held good. Much had been said as to the legal title of the official assignee being superseded by the peremptory words of the Winding-up Act in favour of the official manager. To give effect to that argument, it was necessary to go so far as to say that the Winding-up Act had abrogated the bankruptcy and so much of the 7th and 8th of Victoria, chap. III, as related to bankruptcy, and that therefore the vesting of the estate and assets in the official assignee became null and void upon the order for winding up, and thus the title of the official manager superseded that of the official assignee. Thus the other side alleged that the words of a subsequent act of Parliament had, in fact, the effect of repealing so much of a previous act as was inconsistent; but that was not the law, for, in "Dr. Foster's case" (11 Coke's Reports), it was expressly decided that a subsequent act could do no such thing "unless it was so expressed;" and the same doctrine was found in Jenkins's *Genturies of Reports*, cited by one of their Lordships with approbation in the case of *The Birkenhead Trustees v. Layard* (4 De G. Mac. and Gor. 742). The question was then again brought round to the point, was or was not the legal title of the assignees untouched by the appointment of the official



manager? He (the learned counsel) was satisfied that it was wholly untouched. The Legislature of the country intended that the two processes should go on together, the 7th and 8th of Victoria, chap. III., being used for the benefit of the creditors, and the other statute for the benefit of contributories, in working out the liabilities of the partnership. Then it had been said that a great inconvenience was created by taking the books out of the hands of the official manager. If so, that was a question with which the creditors had nothing whatever to do. The law said they were their books, and the creditors had only to retain them until a payment of their debts had been made; and, when paid, the books were at the service of the official manager. The Court of Chancery, of course, had authority, in case of a winding up, to exercise its appellate jurisdiction in bankruptcy to order the official assignee to exhibit the books of the partnership if wanted for the purpose of the winding-up proceedings. An examination of some of the corresponding sections of the 7th and 8th of Victoria, chap. 111, and the Winding-up Act would show that the 1st, 3rd, and 6th divisions of the 5th section of the latter were effected by the 5th, 6th and 7th sections of cap. 111; and it had been argued that because the time of 14 days and four weeks in cap. 111 had been by the later act shortened to ten days and three weeks, the inference was that an option was thus given for a contributory to stop a bankruptcy, and if that were so, the option would be given to the debtor and not the creditor, to the wrong doer and not to the innocent party,—namely, a person who had intrusted the debtor with his money, which the latter did not or could not repay. If the legislature had intended that there should be practically a repeal of the bankruptcy clauses of the 7th and 8th of Victoria, cap. 111., by the later act, the legislature would have plainly and unequivocally said as much. If the respondents, as had been said, were bound to find a reason for this discrepancy of time, the answer was that the legislature might have considered the shorter time enough, after the experience that had been had of the working of the other statute. It had been argued that the official assignee was a trustee for the beneficiaries. True, he was so; but then the question was, who were the beneficiaries? The answer was, the creditors, and, if there were any surplus, then the assignee would hold it as a legal trustee, or the official manager, who was no more than a mere trustee of an equity, his *cestui que* trust being the contributories under the winding up. It had been boldly said that the Winding-up Act was a substitution for the other statute, and that in its character of conferring the benefits of bankruptcy; but could that be said when there was no provision for equality among creditors, no regulations regarding fraudulent preference, no rules as to reputed ownership, no administration of the estate by the creditors, and no inquiry into charges of fraud, all which were essential provisions of bankruptcy? The learned counsel continued his argument until a quarter to 3 o'clock, when he concluded.

Mr. J. Browne followed on the same side until the rising of the Court, at 3 o'clock.

Mr. Giffard has still to be heard for the respondents besides Mr. Swanson and Mr. Bagley, who are retained for the present directors to sustain the adjudication.

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*Court of Chancery, Lincoln's-inn, December 8.—(Before the LORDS JUSTICES OF APPEAL.)*

AITCHISON V. LEE.—IN RE THE ROYAL BRITISH BANK.

The arguments in this important case were further proceeded with. To the attentive though stultified ears of a densely crowded court, a court packed in every corner by the anxious creditors and desponding shareholders



of the bank in question, the lingering measures, long drawn out, of legal distinctions and professional subtleties, have been allowed to run through the better part of five days. Where, upon a no very extensive question, containing no greatly serious ramifications, the Court has had the advantage of being assisted by no less than seven counsel on one side, and has still to attend to the remainder of a phalanx of five more on the other, it is hardly to be expected that what Hamlet terms "damnable iteration" should be avoided, and, truth to say, if that iteration had been avoided, the case might have been compressed into a very reasonable compass, and within such a period as was thrown out by authority during the argument, as within which there were legitimate materials only for two days' argument. Without disrespect to any of the learned counsel who have been instructed to appear, it may with truth be said that, after the copious opening of the appeal, the observations of juniors were no more than "ditto," or, at any rate, "ditto, with variations;" and with regard to the respondent's case, after the leader's elaborate opening, it partook of the same nature, though it is only fair to say that on each side there was at least one creditable exception.

During this day's argument,

Lord Justice Knight Bruce said it would be well if the professional gentlemen on both sides would agree to lay down some scheme of proceeding to be adopted in case this Court should annul the bankruptcy, and a scheme of proceeding to be adopted in case this Court should, on the other hand, support the bankruptcy. The question of the validity of the bankruptcy must of necessity be decided, that question being before this Court, which it was not before the Vice-Chancellor. Some such arrangement would be of great service to all parties, and before the judgment should be delivered it was essential that it should be come to, and each side bind itself to abide by it.

Sir Fitzroy Kelly, Mr. Glasse, Mr. Phipson, Mr. W. Murray (both of the common law bar), and Mr. W. D. Lewis, have already addressed the Court in support of the appeal from the Vice-Chancellor's decision, and Mr. Bacon and Mr. Huddleston (with Mr. Lewis) have appeared in support of the appeal motion against the adjudication. Mr. Rolt, Mr. Joseph Browne, and Mr. G. M. Giffard, have been heard in support of the order of the Vice-Chancellor, and Mr. Swanston, with Mr. Bagley, have now been heard for the directors of the bank in support of the adjudication in bankruptcy.

The only things which varied the weariful monotony of the discussion, were now and then an explosive suggestion from one end of the "well" handed up to counsel, which, when enunciated, caused a storm of indignant denial from the troop of lawyers on the other side, and now and then a woful strain of compassion for the creditors, met by declarations that but for the conduct of the official assignee or the official manager, as the case might be, those creditors would not be in a situation to elicit any such expressions of commiseration.

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*Court of Chancery, Lincoln's-inn, Dec. 9.—(Before the LORDS JUSTICES OF APPEAL.)*

**AITCHISON V. LEE.—IN RE THE ROYAL BRITISH BANK.**

Counsel at the outset stated that on neither side had any plan been adopted with regard to future proceeding in the events contemplated by their lordships, but each since professed his perfect willingness to be bound by any decision at which their lordships might arrive. Every one was satisfied that whatever had been thrown out by the Court was, as it was intended to be, for the benefit alike of the creditors and contributories.

Sir F. Kelly said he assured their lordships, with the most unfeigned



sincerity, that he rejoiced to think that this controversy was approaching its conclusion. Before, however, considering the question of law by which all parties were bound, and to determine which their lordships had the duty imposed upon them, he might be permitted to dwell on the preliminary question as to whom was to be attributed the commencement, prolonging, and harrassing nature of the controversy. On the 24th of September it was universally known that the Vice-Chancellor, or rather the Court of Chancery, had been pleased to pronounce the order for winding up the affairs of the Royal British Bank, and that its affairs would be wound up, and that the Court of Chancery would dispose of all its estates and effects. The gentlemen who professed to represent and protect the interests of the creditors came into existence or into activity at a later date. When they began to bestir themselves they found the Court of Chancery in the actual possession of the property and in the exercise of its jurisdiction over it—a jurisdiction conferred by statute, under which it was proceeding to collect the effects and property of the company, and to distribute fairly, equally, and rateably among all the creditors, to protect the contributories when necessary, but in case of any deficiency to make order for calls, and in doing so to see that no injustice was done to any one, but that all should be fairly and honestly dealt with, and that fairness and justice should be exercised towards the directors and all other parties. When those who said that they represented the creditors intervened with their unnecessary intrusion, they found the Court of Chancery thus in the performance of its jurisdiction conferred by the act of the legislature for the benefit of all parties, creditors among others, and at the very time the official manager was in a condition to declare a dividend, amounting to the sum of £100,000, and that large sum would have been divided but for the assignees in Bankruptcy having stopped the division and commenced the present enormous amount of litigation.

Lord Justice Knight Bruce—The question, or rather one of the questions, is whether the bankruptcy was wanted for any useful purpose?

Sir F. Kelly fearlessly asserted that it was not, and further he with equal confidence declared that but for the vexation of the proceedings in Bankruptcy not only would that £100,000 have been divided, but before Christmas another substantial dividend would have been declared and paid, and even now, if such litigation were swept out of the way, he was emboldened to say that before six months were over every single creditor of the bank would be paid to the last farthing what was due to him. The delay, the vexation, the annoyance, which had been created were attributable to those who had put the bankruptcy in motion, and which had obstructed the jurisdiction of the Court of Chancery. In obtaining the order for winding up on the 24th of September, everything had been done in the most orderly, legitimate, and regular manner, and the appointment of Mr. Harding, as official manager, was uncontested. Since that appointment Mr. Harding had taken no single step without the advice and assistance of those whom he thought competent to guide him, and, if he had acted wrong in any manner, the blame was attributable to those who gave the advice. The learned counsel would not stop to inquire whether the single opinion of one judge, however able or experienced he might be, ought in a case of such vast importance to be considered final. It was due to Mr. Harding to say that not only was the appeal advised by his counsel, but was actually (as appeared upon the minutes of the proceedings) sanctioned by the Vice-Chancellor himself. Mr. Harding, his counsel, his solicitors, and such of the parties who acted with him were unanimously of opinion that if the Court of Bankruptcy took the administration of the affairs of this bank they could not in any way



protect the contributories. Actions had been brought without number, judgments had been entered up, executions were out or threatened, threatening the unfortunate contributories with utter, instant, and irremediable ruin. Mr. Harding and his counsel were beset, or rather besieged, by contributories, entreating them to create a fund for payment of the debts, and many offering half or two-thirds of their substance to raise money for the purpose rather than remain in this state of miserable suspense. Mr. Harding negotiated for the appointment of a receiver, but that was declined on the other side; and, that plan being rejected, the official manager would have abandoned his duty if he had not persevered so as to procure from the Court of Chancery the machinery by which a fund could be created for payment of all the debts; and in every single step Mr. Harding had taken he had had the sanction of the chief clerk of the Vice-Chancellor or of the Vice-Chancellor himself. With regard to the appeal on the adjudication from the commissioner to this Court, he (Sir F. Kelly) thought that it was merely a matter of form, and yet the other side had made serious charges that Mr. Marcus's petition was collusive, and that the official manager was implicated; and hence, the futile and discreditable *vidé voce* examination which had taken place and ended, as was to be expected, in nothing. The charges and insinuations against Mr. Harding were little to the credit of those who made them, and were such as he could well afford to remain in the state in which they were. The learned counsel then read some passages from an affidavit, denying the truth of the charges that had been made of the plaintiff's having concealed from the Vice-Chancellor his knowledge of any act of bankruptcy, and then continued his address. He quite agreed in the fairness and expediency of the course pursued by Mr. Rolt in passing in review the course of legislation, though differing materially upon the result of such legislation. That learned counsel had contended that the policy of the bankrupt law was chiefly, nay, almost exclusively, to protect the interests of creditors, and had in his argument treated joint-stock companies as upon the same footing as private individuals. From the earliest time, any trader who was not able to pay his debts was liable to the bankrupt law. But, as to corporations, that was very different. Until the 7th and 8th of Victoria, c. 111, in 1844, no such company could be bankrupt. By that act such companies were made liable to the bankrupt law, and by another act of the same session—viz., chapter 113, banking companies were declared to be also within its operation. If the matter had rested there, and no other act of Parliament had been passed, very many of the arguments which the other side had used would have been applicable. Those acts were, however, found to be defective, as being insufficient to do more than enable the assignees to collect and distribute the property, while the individual members of the company could not be made personally liable. Thus matters were when the statute of George IV. indirectly remedied this defect, by enabling the Crown to grant charters of incorporation with certain clauses; and when that was done, it only remedied the defect of rendering the members liable according to the amount of their shares. When, however, the act of Queen Victoria was enacted, and not till then, and so late as 1844, the before-stated act of chap. 111 enabled the assignees to reach the property of individuals, and enabled the Court of Chancery to make rules and regulations, which, however, never were made, so as to reach the property of individuals; and thus matters stood till the Winding-up Acts of 1848 and 1849, after which the Court of Chancery has had power to collect and receive all the assets and property of a company, and then to distribute it, and, if deficient, to make calls, and so settle the whole matter. The question would then be, whether the Winding-up Act, which was passed to remedy the



defects of the former act, and the defects of other past legislation, was to have that effect; and such was the point upon which the Court upon the present occasion was called upon to decide. Did the legislature intend that companies who might have become bankrupt should come under the operation of the Winding-up Act? It was manifestly plain that the necessary effect of the Winding-up Act, read in conjunction with the act of 7th and 8th of Victoria, c. 111, was, that if a company within that act should have done what would be an act of bankruptcy, the assignee himself, or any contributory, could apply for a winding-up order, and so bring into operation the latter statute; but that if there had been an adjudication of bankruptcy, no one whatever, excepting the assignee, could obtain such an order; he alone could put the statute in operation. The next question would be, whether where there had been a company which had been adjudicated bankrupt, and assignees had been appointed, and then it was thought fit that a petition should be presented for an order to wind up, and thus the two acts of Parliament put into a state of activity,—it ever was intended that both the Court of Chancery and the Court of Bankruptcy should at one and the same time go on with their several proceedings relative to the same estate? Had the legislature provided that both these Courts should proceed together, or did it not rather intend that only one set of proceedings should be had—and if so, which? It was quite manifestly apparent that, if there were a complete adjudication, the assignee alone could put the winding-up proceedings in action; but that where there was no complete adjudication the Court of Chancery might be preferred, and would take upon itself the sole and exclusive right to deal with the assets. Those were the propositions for which he contended. If a complete adjudication were made, no other but the assignee could interfere; but, if otherwise, the Court of Chancery could properly pronounce a winding-up order; and when that was made, if the two proceedings were allowed to go on together, the utmost confusion and difficulty without parallel would be created. The assignees under the authority could no doubt obtain a winding-up order, but then all the proceedings must go on in the Court of Chancery, and the papers in the bankruptcy be transferred there; but to say that both proceedings could be permitted to go on, or were intended by the legislature to go on simultaneously, was simply a ridiculous proposition; it was a plain, palpable, and manifest impossibility. The 6th, 7th, and 30th sections of the Winding-up Act showed that this was so. As to the case where there was no bankruptcy and an order for winding up was made, was it afterwards to be permitted that an adjudication should be obtained, and so render the winding up a dead letter, and all the proceedings of the Court of Chancery null and void? Was there in such a case to be no protection for the officers of the Court who had obeyed its own orders? No attempt had been made on the part of the assignees to impeach the validity of the winding-up order; all sides admitted that that was good and regular, and yet it was contended that the company not having complied with the requisitions of the writ only in obedience to the act of Parliament, and with the order of the Court not to interfere with the official manager, was to be held to have committed an act of bankruptcy. The very foundation of the jurisdiction of the Court of Chancery, under the Winding-up Act, was the fact of a company having committed an act of bankruptcy, and there were 30 or 40 sections which distinctly showed that the winding-up order did and was intended to interfere with the jurisdiction in Bankruptcy. Upon the appointment of the official manager he gave security in £50,000 for the faithful discharge of his duties, and those duties partly consisted in suing upon nearly £300,000 worth of overdue bills of exchange, and his other



duties were equally pressing, and in this case had been performed with diligence, and but for the vexatious proceedings of the other side would have been fruitful to the extent of £100,000 as he had before stated. Even supposing the plain case of a good winding-up order, and the estate to have been received, and in a great part distributed, any creditor whose claim had been opposed and not allowed had the power, according to the argument on the other side, to obtain an adjudication at any time within twelve months, and thus render nugatory all that had been done.

Lord Justice Knight Bruce—The legislature, of which I believe you, Sir Fitzroy, were a member, has rendered, by its enactment, such a point reasonably arguable.

Sir F. Kelly declined to admit that it was reasonably arguable. But as to the practical effect of allowing the two proceedings to go on together, that was morally and almost physically impossible. Mr. Rolt had it upon a most important illustration when he cited a sheriff's liability under the old law to make good moneys paid by him in honesty, through mistake, and in ignorance of an act of bankruptcy. Such a case was a scandal to justice, and was, as such cases always were, speedily remedied by act of Parliament; and because a judge had at that time decided as he was bound to decide, therefore it was argued that the legislature intended in the present instance to repeal such acts of glaring inconsistency and injustice, and to enact a series of clauses open to a charge of such manifest and intolerable folly.

Lord Justice Knight Bruce—The act of Parliament plainly contemplates that the official manager may do his duty with the full knowledge that an act of bankruptcy has been committed, for an act of bankruptcy may be the foundation for a winding-up order.

Sir F. Kelly—It was said that the two acts of Parliament were compatible, and that, unless there was an absolute necessity for so doing, the Court must never deal with a subject as though there was a conflict of law. Now he submitted that a conflict of law was not easily to be admitted, but if there was such a conflict created by two acts of Parliament, the act last in point of time must overrule the earlier act. Such was the case with the acts of 1844 and 1848, and the act of 1848, of course, must overrule that of 1844. Now, under the Winding-up Act, as soon as the manager was appointed, the whole estate of the company vested in such manager, whose first duty was to collect the assets and satisfy the debts of the company. In order to collect the assets of every commercial company, and therefore of this company, the first step to be taken was to bring actions on bills of exchange and other securities against debtors of the company, and such actions Mr. Harding had had to bring in the present case. If he had not done so, and debts had been lost, he would have been personally liable; but whether it was his duty or not, under the act alone, he (Mr. Harding) was ordered by the Court of Chancery to bring these actions, and 200 and more he had actually commenced. Now he (Sir F. Kelly) wished one of the five learned gentlemen on the other side would say which of these classes of actions were maintainable—those by the official assignee or manager? It was said that the jurisdiction in Chancery and Bankruptcy could go on together. Now, here was the official manager, under the express direction of the statute, bringing these actions in his own name. The assignees in Bankruptcy might have brought similar actions, and he (Sir F. Kelly) asked which of these classes of action were maintainable? The debtors to the company might very well say, "Until you settle your disputes in the Courts of Chancery and Bankruptcy, we will not pay our debts at all."



Lord Justice Knight Bruce.—Have you ever, in the course of your experience, known a case in which Parliament has offered an indemnity to sufferers by legislation?

Sir F. Kelly.—Never. It was quite clear that two rights of action could not exist in a case like this at the same time. Either the assignees or the official manager had a sole right to bring and maintain those actions. It was impossible the two acts of Parliaments could stand together. The earlier must therefore yield to the later. One of the earliest steps to be taken by the official manager, in compliance with the Winding-up Act (72nd section), was to call the creditors in to prove their debts. The proof might be admitted. There might be an appeal to the Vice-Chancellor, then to this Court, and then to the House of Lords. The latter tribunal might then admit the proof, as under the Winding-up Act, and yet six months after, when the admitted proof had been paid under the winding up, a claimant under another proof which had been rejected by the House of Lords might have his proof admitted in Bankruptcy; and so the creditor whose proof was rejected by the House of Lords could then recover, as it were, as well as the other creditor whose proof has been admitted by that House. He (Sir F. Kelly), could point out twenty instances in which there would be conflicts of jurisdiction between Bankruptcy and Chancery.

Lord Justice Turner.—If a proof were rejected by this Court, and the House of Lords, on appeal, confirmed the rejection, could the decision of the House of Lords be pleaded in bar to any action the creditor might subsequently bring at law to recover his debts?

Sir F. Kelly admitted that such decision could not be pleaded at law, if a creditor were so anxious for litigation as to persist in bringing an action in such a case. No action could be brought immediately against a contributory or member of a corporated company. Under section 50, the official manager alone could be sued. If the court of law thought differently from the House of Lords with respect to the proof, the effect would be that then the debtor could recover against the contributory and obtain payment of his debt. But that raised no conflict of jurisdiction, as would be raised if a debt could be recovered in Bankruptcy the proof of which had been previously refused in Chancery, and such refusal had been confirmed by the House of Lords. Looking through the whole of the provisions of the Winding-up Act, he found that ample powers were given for everything being done which was just, advisable, and proper for all parties, both creditors and contributories.

Lord Justice Knight Bruce.—Can a creditor apply for a call? Mr. Roxburgh, do you know of any such case?

Mr. Roxburgh.—Yes, my Lord. In *Pritchard's* case such an application was made, and on reference to the Master a call was made in accordance with such application.

Sir F. Kelly.—It was quite erroneous to suppose that creditors could not be heard, or take any active part, in the winding up in Chancery. It was clear that the legislature had provided, in the Winding-up Act, all the machinery and means necessary to be resorted to to satisfy the creditors of an insolvent company, and settle the conflicting rights of the contributors of such company. The provisions of the Winding-up Act were imperative, and must therefore prevail against the conflicting provisions of the earlier statute of 1844. The jurisdiction in Bankruptcy and under the Winding-up Act could not exist together; and therefore, where a winding-up order had once been obtained, during its existence an adjudication in Bankruptcy could not be made or supported. It was clear creditors might come in and prove their debts, and it was equally clear that all that they could



properly wish to do or have done in support of their claims could be done in Chancery. With respect to the argument which had been urged on the mere construction of the statute, that as the appointment of the assignee in bankruptcy related both to the bankruptcy "and the estate of the company," which by the Winding-up Act was to vest in the official manager, that could not mean the legal estate in the property of the company at the time of the order; when such order was subsequent to the act of bankruptcy; it was clear to him (Sir F. Kelly), from the 30th and numerous other sections of the Winding-up Act, that the estate of the company "meant all the estate then belonging to the company, or to be administered or then distributable for its benefit." No doubt the 58th section reserved all the rights of creditors, except where they were taken away by the provisions of the Winding-up Act itself; but that act took away the right of the creditors from interfering with the official manager in collecting, administering, and distributing the estate. It had been urged on the 57th section, with regard to judgments, that there was no protection under the Winding-up Act for general creditors against judgment obtained by individual creditors. But the effect of that section was not to enable an individual creditor to issue execution against the effects of the company, but merely to enable such creditor to issue execution against individual shareholders, and recover as against them the entire amount of the debt. The lands, and everything constituting the estate of the company, were, by other sections of the act, previously vested in the official manager, so that this provision with respect to judgments was entirely harmless as against the property of company, and the interest of the creditors generally. In any case in which fraud had been committed by a company, the Court, of its own authority, would have the matter inquired into, and so the orders the Court had authority to make were unnecessary, which might have been the reason why they were not ever made, though now the Winding-up Act made them altogether unnecessary by the effect of its special and plain enactments. To revert for a short time to the only really important point, viz., the act of bankruptcy, it was necessary to distinguish between the acts of a company and those of a single individual. It had been said that in this case the act of bankruptcy had been procured by the company obtaining the winding-up order, but that was not true. The company as a company were wholly opposed to any such order, and it was obtained by one or two shareholders. The demand for payment by the creditors was served upon the secretary, and thereby upon the company, and the latter could and would have paid but for the intervention, against their consent, of the winding-up order. How unjust, then, was it to say that the latter was the act of the company! If there was any act of bankruptcy it was not an act committed by the company, but it was an act done by the Court of Chancery in appointing an official manager whom the legislature had forbidden to part with the assets. Suppose the case of a debtor served with a summons to pay, and then having a winding-up order made on the last day upon which he must pay or commit an act of bankruptcy,—he comes to the Court and says, "I am willing to pay, but by your order you have taken all my property from me." Surely, in such a case the Court would not hold that a good act of bankruptcy had been committed. The learned counsel then examined some of the authorities cited, arguing that they had little or nothing to do with the real point at issue, and concluded by calling on the Court to reverse the order of the Vice-Chancellor, and not to permit the adjudication in Bankruptcy to stand.

Lord Justice Knight Bruce—We will dispose of these on the 19th inst. Any arrangement the parties may make among themselves can in the mean-



time be mentioned to the Court, and so the judgment be rendered unnecessary, but the Court can be no party to their discussion.

*Court of Chancery, Lincoln's-inn, December 12.—(Before the LORDS JUSTICES OF APPEAL.)*

ATTCHEISON V. LEE.—IN RE THE ROYAL BRITISH BANK.

Mr. Swanston (with Mr. Bagley) at the sitting of the Court stated that terms had been proposed by the official assignee, which had the full approval of the parties whom he (Mr. Swanston) represented, the directors of the bank, to the official manager for the adjustment of the difficulties in this case, and which might, if accepted, prevent their lordships being called upon to give their judgment. Those terms had also been submitted to several of the most eminent firms of solicitors in London, representing numerous shareholders and creditors, who stated in a joint letter in his (Mr. Swanston's) hands that they considered the proposal made by the assignees, for an arrangement with the official manager, to be fair and reasonable, and for the interests of both creditors and shareholders. Those firms were—Messrs. Reed, Langford, and Marsden; Messrs. Lawrance, Plews, and Boyer; Messrs. Coverdale, Lee, and Co.; Messrs. Freshfield; Messrs. Venning, Naylor, and Robins. In addition to which letter, Messrs. Sharp, Field, and Jackson, as concerned for nearly eighty alleged new shareholders, expressed their full concurrence in that letter, and that they were convinced that, in the present state of the statute law, it would be impossible to wind up the affairs of the bank in any other way, and that every shareholder would inevitably be ruined unless it were adopted. The learned counsel added that the terms referred to, although approved by all other parties, had not been, he regretted to say, accepted by the official manager, and he would now read them to the Court:—"Declare bankruptcy valid. Assignees to administer present assets of the bank in bankruptcy. Call already made to be enforced by official manager, except so far as necessary for set-off under the bankruptcy. Appointment of official manager to be varied so as not to admit of doubt that the present assets of the bank do not vest in him. Assignees to petition under section 20 of 7th and 8th Victoria, cap. 111, that official manager be considered and appointed receiver for future calls. Actions by official manager to be discontinued. Costs of petitioning creditor, messenger, and assignees out of present assets. Costs of official manager (including those of order *nisi* to commit) to be paid out of calls. Dissolve injunction without costs. Dismiss motion to extend injunction with costs. Dismiss appeal against order of Vice-Chancellor for delivery of assets, &c., without costs, and let order be complied with. If names of assignees required to be used by official manager, previous indemnity to the satisfaction of Mr. Commissioner Holroyd to be given. Custody of books and papers to be with assignees, but official manager to have the fullest access to them. No action to be brought against official manager by assignees for anything heretofore done. Marcus's petition to be dismissed, and costs of all parties as to same to be paid out of assets in Bankruptcy."

The Court expressed its opinion that the terms were substantially such as would meet the justice of the case, and though, perhaps, requiring some alteration, they would not require much.

A long and somewhat rambling discussion then took place, as to the appointment of a receiver under the 20th section of the statute 7th and 8th of Victoria, cap. 111, and it was asked from the bench whether, if the Court were to appoint such a receiver, with limited and defined powers,



the decision seems to would be final. The answer to this inquiry, as made by either side, did not appear to be very plain, counsel on each side saying that the official assignee and the official manager had respectively placed themselves unreservedly in the hands of their advisers, and so the matter ended for the day.

*Court of Chancery, Lincoln's-Inn, Dec. 15.—(Before the LORDS JUSTICES OF APPEAL.)*

ATKINSON V. LEE.—IN RE THE ROYAL BRITISH BANK.

Sir F. Kelly attended, and, after some general observations, to the effect that his own opinion was that it was impossible that the proceedings under the Winding-up Act and the bankruptcy could proceed together, and making some remarks upon the proposition he had now to make on behalf of the official manager, read and afterwards handed in a paper, of which the following is a copy:—

"The official manager is advised that the proposals of the official assignee are inadmissible, on these three grounds:—

"1. Because they do not adopt the suggestion of the Court, which was that an agreement be made upon the two alternatives of the bankruptcy being affirmed or the bankruptcy being annulled.

"2. That it is impossible to establish the bankruptcy by the consent of the parties, as proposed by the assignee, or even to authorise the Court to affirm the bankruptcy by consent, inasmuch as, notwithstanding any consent by all parties before the Court, or any decree by the Court founded upon that consent, the bankruptcy might be questioned in a court of law in any of the actions brought or to be brought by the official manager, or in any actions brought or to be brought by the assignees, or in any actions brought by creditors against the official manager, or in a variety of other ways.

"3. The official manager is advised that they ought not to consent to any arrangement which does not securely provide at once for the protection of the shareholders against executions at the suit of individual creditors.

"We propose this,—in any course to be taken let a dividend be immediately declared and paid.

"1. If adjudication be annulled no terms are necessary, except as to costs. 2. If adjudication be affirmed, first, direct that the title and possession of the official manager, notwithstanding the adjudication, are not to be disturbed, and that the proceedings in the bankruptcy be deposited with the judge to whose court the Winding-up Act is attached, and continue injunction, and grant extended injunction. Appoint the official manager to be receiver for the purposes of the 15th and 20th sections of the 7th and 8th of Victoria, cap. 111, with a view to the better protection of the shareholders, if such appointment can be made, and would be operative. Costs of injunction and appeal of extended injunction to be reserved. Appeal against order to hand over assets to be allowed, costs reserved. Costs of order nisi to commit to be paid, as directed by the Vice-Chancellor. Or, secondly, vary the order of the Vice-Chancellor thus:—The official manager to distribute the assets already collected in Chancery, less any sum the Vice-Chancellor may order him to retain on account of remuneration and expenses and costs, as afterwards mentioned, and as an indemnity against the costs of the actions commenced as after provided. The alleged call of the directors not to be attempted to be enforced by the official assignee. Appoint official manager to be receiver, under section 20 of the



7th and 8th of Victoria, cap. 111; if such appointment can be made, and would operate as a protection to the shareholders. Official manager to hand over securities for money and title-deeds, except the securities after mentioned, to official assignee. Official manager to have sole right of dealing with the shareholders past and present in respect of their accounts and securities, which he is to retain, and calls, so that he may from time to time debit them with calls, and adjust and recover their balances, as directed by the Winding-up Act, 1848, sections 34 and 61. Actions by official manager to be discontinued, unless and until it shall be decided at law that the right to sue still remains in him. The costs of the official manager and of the defendants in the discontinued actions to be paid out of the sum to be retained from the assets as before mentioned. If it should be decided at law in any action that the right to sue for debts due to the company remains in the official manager, then all securities for money then remaining to be realised to be re-delivered to him, and he to realise the same and all debts uncollected, and distribute the proceeds in the Court of Chancery, but without prejudice, as far as may be, to acts previously done by the official assignee and distribution of assets previously effected by him. The books and documents relating only to the shares and transactions and dealings with the past or present shareholders, and the charter and deed signed by shareholders, to remain in the custody of the official manager, to enable him to settle lists of contributories, make calls, settle and adjust shareholders; the assignees to have free access to and to have production of same at all reasonable times and places when required, free of expense, and liberty to take copies. All other books and documents to be handed to official assignee, to be kept by him in a separate office, with access at all times by official manager and his solicitors, and to be produced at all reasonable times and places when required by official manager, free of expense, and liberty to take copies. Official assignee and solicitors at all reasonable times to have access to proceedings under the winding up, and to have copies if they require. Official manager and solicitors at all reasonable times to have access to proceedings under bankruptcy, and to have copies if they require. In the present suits, in which official manager is defendant, and in all other suits and actions in which he may be made defendant, either alone or jointly with the assignees, the assignees to indemnify the official manager unless and until assets delivered up to official manager in consequence of any such decision at law as before mentioned. Expenses of concurrence of official manager in all conveyances and deeds to be paid out of the assets under administration in the bankruptcy. Costs of official manager of appeal against order of Vice-Chancellor to be paid out of assets now in his hands, and the costs of assignees out of estate in bankruptcy. Costs of appeal against order dissolving injunction and costs of motion to extend injunction to be dealt with in the same manner. Costs of order  *nisi* to commit to be paid as directed by the Vice-Chancellor. The assignees to be at liberty to oppose, or to apply to reduce or expunge proofs in Chancery, and to be at liberty to attend and be heard on proceedings. The official manager to have similar rights as to proofs and proceedings in bankruptcy. In any event, in case of an appeal by either party, the payment of a dividend among the creditors not to be stayed.

*Court of Bankruptcy, Baringhall Street, Dec. 17—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

Mr. Lawrance applied to the Court for the appointment of a day for



hearing the petition presented by him with reference to the appointment of a receiver, and wished to have it fixed after Friday next, on which day the Lords Justices had intimated their intention to give judgment upon the appeals before them.

Mr. Linklater suggested the propriety of the petition standing over until next week, to give time for arrangements after the judgment. Mr. Linklater stated that he took that opportunity of referring to the proceedings on the last examination, when Mr. Reed and Mr. Lawrance stated, what they, no doubt, believed, that the official manager had placed himself in their hands, and would abide by any arrangement sanctioned by them. In consequence of what had fallen from the Lords Justices, Mr. Linklater stated that he had, on the part of the assignees, proposed terms to the official manager, with a view to the interests of shareholders as well as creditors. Those terms had been approved by Mr. Reed and Mr. Lawrance and by other solicitors, but had been rejected by the official manager. The official assignee had, however, from beginning to end, expressed his perfect willingness to consent to any terms proposed by the assignees, and had throughout professed an anxious regard for all parties, and it was due to Mr. Lee that such a public acknowledgment should be made. The solicitors named had done him (Mr. Linklater) the justice to write the following letter:—

"The Royal British Bank.

"London, Dec. 11.

"DEAR SIRS,—On the other side we send you copy of the minute of the terms of compromise which you, on the part of the assignees, agreed to this morning. We have communicated them to the official manager and his solicitor, Mr. Burton, and regret to say that they decline to accede to them. We think that in justice to yourselves we ought not to refrain from expressing our united opinion that such terms are perfectly fair and reasonable.

"We are, dear sirs, yours truly,

"LAWRANCE, PLEWS, and BOYER.

"REED, LANGFORD, and MARSDEN.

"Messrs. J. and J. H. Linklater  
and Hackwood."

The following letter had also been written by solicitors interested in the matters:—

"TO CLEMENT T. SWANSTON, ESQ., Q. C.

"Re the Royal British Bank.

"SIR,—We, the undersigned, solicitors for and representing numerous shareholders and creditors, and some of the directors, have no objection to your informing the Lords Justices of the Court of Appeal in Chancery that the proposals made by the assignees for an arrangement with the official manager in this case appear to us to be fair and reasonable, and for the interests as well of the creditors as shareholders.

"We are, sir, your most obedient servants,

"REED, LANGFORD, and MARSDEN.

"LAWRANCE, PLEWS, and BOYER.

"COVERDALE, LEE, PURVIS, and COLLYER.

"J. O. and H. FRESHFIELD.

"VENNING, NAYLOR, and ROBINS.

"RICHARD PADDISON.

"London, Dec 11.

"As concerned for between seventy and eighty of the alleged new shareholders, we fully concur in the letter on the other side, and are convinced



that in the present state of the statute law it will be impossible to wind up the affairs of the bank in any other way, and that every shareholder will inevitably be ruined unless it be adopted.

"SHARPE, FIELD, and JACKSON.

"41, Bedford-row."

It was clear, therefore, that the assignees were not the cause of the continuance of litigation. They were desirous of doing their duty to the creditors, and, so far as they consistently could, were willing to protect the shareholders.

Mr. Lawrance also bore testimony to the satisfactory manner in which the official assignee (Mr. Lee) had been willing to carry out the proposed arrangements, and regretted they had not been assented to by the official manager.

Mr. Reed was of the same opinion, and expressed a wish to have an early day named with reference to the appointment of a receiver, in consequence of the ruinous expense, daily increasing, of actions by creditors with a view to executions against individual shareholders.

Mr. Linklater stated that he was willing to have any day named convenient to the Court, and, after some discussion, Monday next was fixed for that purpose.

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*Court of Bankruptcy, Basinghall-street, Dec. 19.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

Mr. Lawrance said the Lords Justices had confirmed the decision of the Vice-Chancellor, upholding the bankruptcy and carrying out the views and wishes of the creditors and of a considerable portion of the shareholders. The learned judges being silent as to the appointment of a receiver, Mr. Rolt had applied to their lordships on the subject, who said that they could not entertain the matter, they having no original jurisdiction since the Consolidation Act passed, but that it must come before the Commissioner in the first instance. They also stated that they should not sit during the present term after Monday next. It was all important that the matter should be so disposed of by his Honour as to enable the petitioners to go to the Lords Justices before the vacation. All that was now asked for was such an order as would enable them to go elsewhere. His friend Mr. Linklater and himself were quite agreed that it would be most unwise and inexpedient to have an order that would effect the administration of the estate in Bankruptcy, particularly after the conclusive judgment of the Lords Justices. They were strongly of opinion that the Lords Justices would make such an order upon this petition for a receiver as would protect the shareholders and incidentally also protect the creditors, and would not interfere with the administration of the assets in that Court. He (Mr. Lawrance) asked that Mr. Lee, official assignee of this Court, might be appointed receiver. The delay of every hour was important to the shareholders; writs were being showered upon them, there were executions in every direction) and scarcely a day passed without some of those who were liable to the bankrupt law filing their petitions for arrangement. He now asked for an order, so that it might be put on the Lords Justices' paper for Monday next.

Mr. Linklater said his friend appeared to suppose that the effect of any order of that Court going on appeal to the Lords Justices would be the appointment of a receiver in the next hour. He much doubted whether this could be obtained until next term. He was very anxious indeed, and



so were the assignees, that a receiver should be appointed, but they were still apprehensive that the effect of the appointment of a receiver would be an interference of the Court of Chancery with the administration of the assets in Bankruptcy. He would have a consultation with Mr. Rolt, Mr. Giffard, and Mr. Brown, and he was prepared to act upon their opinion. Before any step could be taken on the petition it would be necessary to communicate with the Vice-Chancellor, and, possibly, the Lord Chancellor. He was not in a position to concede at once to the prayer of the petition, though he should be exceedingly sorry to interpose any difficulty. The assignees were bound to look to the interests of creditors, and they had duties to discharge which could only be discharged in this Court.

Mr. Lawrance was quite sure that, if the processes indicated had to be gone through, all expectations of benefit to the petitioners must be entirely defeated.

Mr. Linklater said, if his friend looked at the 20th section of the 7th and 8th of Victoria, he would see that the jurisdiction of the Court of Chancery to appoint a receiver depended upon the report of the Master—now of the Judge—of the Court to which the proceedings might be attached, and that it was only upon that report that an order could be made.

The Commissioner—It clearly depends upon the report.

Mr. Lawrance said, he was quite aware of the unavoidable delays. If the Court would only dismiss the petition, that would be enough. He would ask no condition in respect to costs. The Lords Justices could then determine on Monday whether a receiver could be appointed.

Mr. Reed said, he had had an interview with the official manager since Mr. Linklater had that morning left the Lords Justices' Court, and he could now say that he had again unreservedly placed himself in the hands of Mr. Lawrance and himself.

Mr. Linklater—I dare say he has now.

Mr. Reed said, he had certainly done so, and he was ready to accede to the terms mentioned in Mr. Linklater's letter of the 12th instant,—that was, the appointment of a receiver, whose appointment should not imperil the administration of the assets in bankruptcy.

Mr. Linklater—I may say that now we don't want the consent of the official manager for anything. He was not willing to leave himself in the hands of my friends before; what he may now be willing to do is wholly immaterial.

Mr. Reed—Upon my word I want to end the litigation. I think my friend is a little too hard upon the official manager. After all, he consents to do all that is wanted.

Mr. Lawrance again appealed to the Court to make the same order as in Marcus's petition,—to dismiss the petition.

The Commissioner—That was done by the consent of all parties. I shall be glad to make any order in this case by consent.

Mr. Linklater—My friend Mr. Reed agrees with me that Mr. Lawrance's clients will gain nothing by this order.

After some further discussion, a consultation took place out of court. No arrangement could be effected, and the further hearing of the petition stands adjourned to Monday next.

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*Court of Chancery, Lincoln's-inn, Dec. 19.—(Before the LORDS JUSTICES OF APPEAL.)*

AUTOHISON V. LEE—IN RE THE ROYAL BRITISH BANK. EX PARTE MARCUS, IN RE SAME.

This appeal from a decision of Vice-Chancellor Kindersley, and the hearing of a petition of appeal from the Commissioner in Bankruptcy, made *pro forma* in order to bring the question of adjudication before the Court, was argued on the 2nd, and several following days, of the instant month of December.

The counsel engaged were—Sir F. Kelly, Mr. Glasse, Mr. Phipson and Mr. W. Murray (both of the common law bar) for the appeal; Mr. Bacon, Mr. W. D. Lewis, Mr. Huddleston (of the common law bar) in support of Mr. Marcus's petition; Mr. Rolt, Mr. G. M. Giffard, and Mr. Joseph Browne (of the common law bar) in support of the Vice-Chancellor's decision; and Mr. Swanton and Mr. Bagley (of the common law bar) in support of the adjudication for the present directors of the bank, and among them for Mr. Isaiah Butt (as Mr. Swanston at the hearing stated in reply to a question from the Court).

Lord Justice Knight Bruce—These appeals, argued here for five days and more of the present month, at a lengthal most prodigious, but, nevertheless, with much ability, raised one question at least, not without difficulty, nor, in some sense, without importance—the question mainly whether the adjudication in Bankruptcy, as disputed, ought, on grounds merely legal, to be annulled or disturbed—a point depending upon the construction of the statute of 1848, necessarily so often mentioned in the discussion. A commercial company incorporated, or in a sense incorporated, called “The Royal British Bank,” became insolvent and failed in or before September last. It stopped payment in that month, whereupon the Court of Chancery, under the statute already mentioned—that of the 11th and 12th of the Queen, cap. 45—was resorted to; but while the Chancery business was in progress some person or persons, who preferred another jurisdiction, procured an adjudication in Bankruptcy, upon an act of Bankruptcy which must be deemed to have been committed by the company before any application to the Court of Chancery. This proceeding in Bankruptcy, impossible unless under the statute passed in the year 1844—that of the 7th and 8th of the Queen, cap. 111—raised a conflict between the two different jurisdictions or remedies, which has added to the calamities of the unfortunate shareholders in the company, and, possibly, been a cause of suffering to its creditors also. The simultaneous existence, or at least action, of the two remedies having seemed to be embarrassing and otherwise objectionable, a bill in Chancery and a petition to the Court of Bankruptcy, which are now before us, were filed and presented. There is, as I understand, but one, if any objection to the title of the official assignee appointed under the act of 1848, which objection is the adjudication in bankruptcy. There is, as I have collected, but one, if any, objection to the title of the assignee under the Bankruptcy, which objection consists of the order under the act of 1848 for winding up the affairs of the company, and what has been done upon that order? Ought, then, the title of the assignee or the title of the official manager to prevail? Such is the main, if not substantially, the whole question now before the Court. The order for winding up the company was made on the 24th of September last, on several petitions presented respectively on the 6th, 9th, and 12th of that month, by contributories. A provisional manager was appointed under it on the 27th of the same month of September, an official manager on the



13th of the following October, and other proceedings have been had under the order of the 24th of September. It has never been discharged or varied—it has been enrolled; nor, as I have said, if anything can be truly alleged against its complete validity, can any other matter be so alleged than the bankruptcy which has been so often mentioned, and which I must now mention again. On the 8th of September a writ of summons was served on the company by a creditor. This caused, or, but for the order of the 24th of September, would have caused a complete act of bankruptcy to have been committed by the company, that act having its inception on the day on which the writ of summons was served, but its completion not before the 7th or 8th of October. A petition for adjudication, so founded, having been presented to the Court of Bankruptcy on the 9th of October, one of the learned commissioners in London on that day pronounced, which another of the same learned body confirmed on the 22nd of the same month, the adjudication in bankruptcy accordingly. There was, of course, an official assignee appointed, to whom creditors' assignees were afterwards added, which functionaries and the official manager, with their respective allies, auxiliaries, retainers, and followers, have ever since been in conflict for the remains of the deceased company; and after various engagements, upon different fields, a general battle of a week's duration was delivered here. We, for the present at least, are to adjudge the prize. Is it, then, consistent with the sound construction of the enactment contained in the statute of 1848, to say that a title, by means of an adjudication in bankruptcy against the company under the 7th section of the act of 1844, shall, notwithstanding a dissolution, prevail against the title under an absolute order for winding up such company under the statute of 1848, the adjudication, though founded on an act of bankruptcy committed by the company after one or two, though before other of the petitions for winding up, and a week or two before the absolute order for winding up, having been upon a petition for adjudication presented not sooner than a fortnight after the making of that order, nor sooner than ten days after the appointment of a provisional manager? This has seemed all along, and still seems to me, I repeat, no easy question, and upon it the appellants are not assisted by the obligation which binds them to demonstrate that a right, clearly conferred by statute in the year 1844, was some few years afterwards taken away by obscure words in another statute, decided by two commissioners in Bankruptcy and by the Vice-Chancellor not to have taken away that right. The 59th section of the act of 1848 is decisive against the appellant unless the words, "except as is by this act expressly provided," contained in it ought to be construed as they contend. Ought these words to be so construed? Perhaps the word "expressly" is of no value as it is used here. Perhaps the construction is not affected by it; but the 73rd section deserves consideration in this respect as well as in others, and it has very pertinently been asked—where are the provisions which deprive a creditor of the company of his clear right, independently of the statute of 1848, to seek and obtain under that of 1844 an adjudication in Bankruptcy against the company, having, before any order to wind up, committed an act of bankruptcy? There are various sections in the statute of 1848, especially sections 5, 6, 19, 20, 21, 22, 28, 29, 30, 34, 50, 59, 72, 73, 74, 82, and 83, calculated to induce a suspicion, at least, that the framers of it did not suppose or intend that there would or should be an adjudication in Bankruptcy against a company in the circumstances in which this company, or dissolved company, stood when the adjudication in question was confirmed or originally made, or when the petition for adjudication was presented against it. But is there more? Provision is



specifically made for the case of a fiat in Bankruptcy against a company, followed on the application of creditors' assignees by an order in Chancery to wind up its affairs. Why is no provision specifically made for the case of a fiat subsequent to such an order, whether founded or not founded on an act of bankruptcy previous to the order. The appellant's counsel have said, in effect, that the statute assumes throughout of its parts the impossibility of taking consistently with it the course taken or attempted first by Mr. Burke and afterwards by Mr. Michell in the present instance; that the fifth section especially is inconsistent with the respondent's case; that the notion of an act of bankruptcy forming, it seems, a ground for an order to wind up, and the means of destroying and diminishing its operation and efficacy is absurd, as the 19th section prohibits payment and might prevent bankruptcy; that another section rests the property of the company, subjected to the order of the official manager when appointed; that the construction of the statute maintained by the commissioners and the Vice-Chancellor is one of harshness and practical injustice to the official manager and the shareholders in the present case, and one which in most, if not in all, cases will probably paralyse or suspend the operations of the official manager during many months after his appointment, and expose him to considerable risk, as well as embarrass and perplex the contributors and creditors. These remarks, whether wholly or not wholly sound or well founded, are plausible, I think, and fair, and they have deserved the attentive consideration which all the arguments on each side have received from us; but we must not forget how, and on whose application alone, the statute of 1848 enables orders for winding up to be obtained, and when made on applications such as those on which the order for winding up was in the case before us made. The conduct of the proceedings under the order is not with the creditors, nor on behalf of the creditors, and they may perhaps be thought but secondarily or incidentally concerned in the matter, considering it less for their own sakes than for the sake of doing justice among contributors, and, accordingly, but slightly disturbed by it in the enjoyment or the use of their rights, or rendered independent of it, while the bankruptcy is especially a creditor's proceeding, under which it is plain they are directly concerned, have direct, immediate, and leading rights and powers, and are primarily considered. The argument, therefore, that, upon the appellant's construction of the statute of 1848, it is a measure harsh, arbitrary, and unjust towards creditors, seems unfounded and unfair. The statute, so far as this contest is concerned, presents a case of difficulty and evils like too many other acts of Parliament, at least of late years, and perplexes the reader, rendering nearly, if not quite, as hard for lawyers as for other men, the solution of the riddles which it involves. We have been particularly told the 19th section is certainly inconsistent with the respondent's contention. This, perhaps, might have been so if the words "otherwise than by the direction of the Master," which end the section, had not been in it, and the prohibition had been more extended. But these words are part of the section, nor are the shareholders individually prohibited by it from paying by their own money. I am not convinced of the consistency, and as to the old statute, so far as it bears as much as it does bear on the question as to the validity or the invalidity of the adjudication, being unable to say that the appellant's interpretation is certainly right, or the exposition of the respondents is certainly wrong, I think that the decision cannot be against those who, in possession of an unquestionable right before the statute—a right which, if not taken away by the statute, remains—are here on the defensive, asserting that it has not been taken from them. The petition of



Mr. Marcus must therefore, as I conceive, be dismissed, for if the adjudication ought not to be treated as not legal and valid, there is not, in my opinion, any equitable or discretionary ground upon which it would be correct to interfere with the legal rights of the assignees or of the creditors' interests under it, and it follows that, in my judgment, the injunction dissolved must remain, and the motion for an additional injunction be refused. There remains, therefore, the question of the leaving or the not leaving as it is the order of the official manager to act or deliver up, he not being a defendant in the cause, which has not yet been brought, and perhaps may never be brought to a hearing. His position, however, is contended to be analogous to that of a receiver in a suit who has erroneously possessed himself of property belonging to a stranger, and in which the respondents say that the Court, on an interlocutory application by the owner, would interfere for the purpose of reinstating. Their arguments, in this respect, seem to me not without foundation, but I think some provisions may be made, which the singleness of the jurisdiction exercised by the Vice-Chancellor perhaps induced that learned judge not to make. We intend that there shall be but one order only on the several applications before us. It will be, of course, therefore entitled as belonging to the Court of Chancery and the Court of Bankruptcy, and will so be. The particulars will be stated by my learned brother. It is to be hoped, let me in conclusion say, that the legislature will take steps to prevent the recurrence of conflicts and complications such as the proceedings before us exhibit and portend—miserable conflicts, distressing complications, which it has itself created—conflicts and complications characterised by the grave frivolity, the costly uselessness, the sickening delay in which chicanery rejoices—conflicts and complications which must embitter the anxiety and add weight to the impression of sufferers under nefariously conducted schemes, such as the thing ironically called the "Royal British Bank"—conflicts and complications which to a civilised people are nationally discreditable, and in a governed country ought not to be encouraged.

Lord Justice Turner, in a very lengthy judgment, passed in review the course of legislation on the subject of joint-stock companies, and carefully analysed the arguments adduced in support of the appellant's case, and finally considered that, Parliament not having explicitly by the Winding-up Acts repealed the former statutes which were therein recited, it was not competent to the Court to act as if they had been abrogated, and held that the decision of the Vice-Chancellor could not be in any material manner disturbed, and that the order of this Court to be made would be as follows:—  
"Dismiss the petition to annul; refuse the motion to extend the injunction. Affirm the orders of the Vice-Chancellor, with these additions,—the plaintiff Harding to be at liberty to retain a sum to meet his liabilities, subject to account; the assignees, at all reasonable times, to produce to the official manager all books, &c.; the costs of all parties of petition in Bankruptcy to be paid by the official assignee out of the estate; the costs of the assignees of all proceedings to be paid in like manner; the costs of the official manager to be reserved; £20,000 for the present to be retained by the official manager, the rest to be paid over to the official assignee on minutes; the amount to be retained ultimately by the official manager to be stated on the first day of next term."



*Court of Bankruptcy, Basinghall-street, 'December 22.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

Mr. Lawrance said he appeared in support of a petition filed by Richard Charles Newbury and others, praying the Court to direct the official assignee to petition the Court of Chancery to appoint a receiver in this case. Creditors were enforcing their legal remedies against the shareholders individually, and it was not desirable that debts should thus be recovered piecemeal. He knew his friend Mr. Linklater had a difficulty in acceding to the prayer of the petition, and that if left to his own independent judgment the difficulty would have been overcome. The 20th section of the 7th and 8th of Victoria specified the manner in which a receiver should be appointed, and the application to this Court was one of right. It was a fallacy to suppose that the assignees should determine the time and mode of the application. That was for the Court to decide, and this without regard to the consequences. The time for making it was not when the last guinea had been recovered, or until the rights of old and new shareholders had been decided. Shareholders of the bank who were liable to the bankrupt laws were petitioning this Court, but gentlemen of fortune not engaged in trade—and there were many such among the shareholders of the bank—had no remedy of that kind. There was nothing, however, to prevent them leaving the country. This diminished the sources and chances of payment, and the creditors were not interested in that result. Every shareholder was liable for the debts of the bank to the extent of his last shilling, and the equity of the case was that they should contribute in equal proportions to the amount of their shares. He asked for the appointment, that the assignees might be in a position to effect this. The creditors had a right to consider every shareholder's property as their own until the debts of the bank were paid, and they had a right to have that property protected. To do this it was necessary that the official manager should be in a position to collect calls with all possible despatch. He (Mr. Lawrance) had witnessed more hartrending scenes in connection with the present position of shareholders than in any other event that had fallen under his notice during his professional career. Why should this Court wait until the last shilling had been wrung from shareholders individually? He made no imputation upon Mr. Linklater. If he had he must disclaim it in the most emphatic language. He had conducted his cause ably and zealously, and no blame attached to him. It was a matter of perfect indifference to his clients whether Mr. Lee or Mr. Harding, both of whom were gentlemen of the highest respectability, administered the estate; but the position of the shareholders called for an exercise of the discretion of the Court. The withholding of the order prayed would diminish the assets to an enormous amount. It was the prevailing impression of the profession that the appointment of a receiver would protect the property of the shareholders against executions at the suit of individual creditors. The common law courts would not dispute the validity of an order proceeding from the Court of Chancery. If the Court would but interpose even for one week only a benefit would be conferred on both shareholders and the creditors generally. The creditors were not interested in the premature break up of shareholders and converting them into wealthy refugees. Thousands of pounds would be lost if a receiver should not be appointed. Shareholders were waiting with anxiety the decision of the Court to-day, and their course would be influenced by that decision.



Mr. Linklater said the assets of the bank were from £280,000 to £290,000. There was also a call of £50 per share on 3,000 shares. There was also an interest in mining property of the value of from £40,000 to £80,000, and there were debts owing to the bank to a large amount which could be recovered. The debts of the bank were £530,000, and if the shareholders had been united, and had evinced a due determination to discharge their liabilities, they might have stopped litigation and dispensed with the powers of either the Court of Chancery or the Court of Bankruptcy. In the present position of affairs some creditors had judgments pending, others had obtained registered judgments, and some had sought execution. He (Mr. Linklater) would have been glad, in such a state of things, if he could have acceded to the prayer of the petition, but he had very great doubts whether it would not be more advantageous to the shareholders that he should not do so. For the life of him he could not see why the shareholders of the bank had not paid their debts, as the partners of an ordinary solvent firm would have done under similar circumstances, without the interference of Chancery or Bankruptcy. If, instead of contesting their relative rights, they had raised the money, the debts would have been paid. Mr. Lawrance had shut his eyes to the fact that it was very doubtful whether the appointment of a receiver would protect the shareholders. If it did not, the legal difficulties would be as great as ever. All that Mr. Lawrance could say was, that he was willing to take the risk of that. He (Mr. Linklater) had exerted himself personally for the purpose of devising some scheme which would protect the shareholders, without depriving this Court of its jurisdiction; but persons of the highest legal attainments, and others who had no interest in the matter, could not see how this could be effected. The assignees were willing to exercise their personal influence to stay individual actions. The official manager during the last three months had possessed greater powers than could be exercised by a receiver, and what had been done towards levying contributions from the shareholders? The proceedings in Bankruptcy had, from first to last, had the approval of the committee of depositors. The only similar application to that of to-day had been in the case of the Forth Marine Insurance Company. It was found that the appointment would be a dead letter, and there was not as yet a single instance of a receiver having been appointed. It was a matter entirely for the discretion of the Court; and if the Court were to accede to the prayer of the petition, it would be only encouraging a delusive hope of relief to the shareholders. Sir F. Kelly had expressed himself clearly of opinion that the appointment of a receiver could not be made; and he (Mr. Linklater) was strongly of opinion that the Court would not make the order prayed.

Mr. Sturgeon, as representing a depositor for £900, said the petition was only an attempt to tie the hands of the Court of Bankruptcy.

His Honour—Adverting particularly to the last observation of Mr. Lawrance, that time is of such great importance in this case, I think it better that I should now express the opinion I entertain upon having heard the matter at considerable length, in order that the case may go elsewhere, and that the parties may have the benefit of a further opinion. Now, the prayer of this petition, as has been stated on both sides, is that this Court should direct the assignees to apply to the Court of Chancery in the manner and for the purposes mentioned in the 20th section of the 7th and 8th of Victoria. When we come to that section we see that what the Court may be asked to do is this,—that it shall be lawful for the Court to direct the assignees to apply, &c. [read]. Then, upon that order being made power is given to the Court of Chancery, which it appears to me I need not



advert to, because the only question I have to consider is whether I ought to grant the prayer of this petition, and direct the assignees to apply for an order for final winding up. Now, when I look to the act of Parliament for amending the act of the 7th and 8th of Victoria, I see what appears to be a very similar provision, only that very much larger and ampler powers are given by the 8th section of that act of Parliament, in which the assignees in Bankruptcy may, by direction of the Court, but not otherwise, apply to the Court of Chancery for an order to wind up. If I were to direct the assignees to apply for an order for finally winding up under this 20th section, inasmuch as these acts must be both taken together, would not this Court be virtually directing the assignees to apply to the Court of Chancery for an order for winding up? under which the Court might say, "You have already got an order for winding up, and got an official manager appointed in order that you may have another order for finally winding up, and all that is required to be done can be done under the present order. You have an officer of this Court over whom the Court has jurisdiction, and who by these acts of Parliament has very much larger powers than any receiver has who may be appointed." It seems to me it would be odd to ask the Court to appoint a receiver, having its own officer who has all the powers already of a receiver. As I said before, I have nothing further to do than to consider whether it would be for the benefit of the creditors that I should grant the prayer of this petition. Now, I do not think it would be for the benefit of the creditors that I should grant the prayer of this petition. If I granted the prayer of the petition it would virtually vest all the property of the company in the official manager now appointed. It seems to me it is open to a serious question upon that point. If the provisions with regard to the winding up in the last act do not supersede the less effective provisions of the first act, and supposing that both provisions still exist, then, inasmuch as the one seems to embrace the other, the Court, in all probability, would adopt the more effective provision rather than adopt the one that has less effect in the first act; and under these circumstances I do not see how I can come to the conclusion that it would be for the benefit of the creditors. Then it is said that it would be for their benefit indirectly, directly more so perhaps for the benefit of the shareholders, who would be protected, if the prayer of this petition were granted and a receiver appointed—they would be protected by relieving them from unjust pressure, as the contributions would equally come in, and every creditor would be benefited by it. I do not think I should be justified in coming to that conclusion upon a petition signed by fifty or five when we look to the mass of creditors that there must be. I have no right to assume that the shareholders will dispose of their property and go away and not do that which they ought to do—namely, pay their calls, or, when executions go against them, satisfy them when the law allows the creditors to put that in force. There is one observation which is material to be made in considering what the position of the shareholders is, although I should say at once this Court would be glad to do anything to relieve shareholders from any undue pressure, considering the difficulty imposed upon them; but I must consider the duty of which is imposed upon all Courts of this country not to attempt to interfere with the rights and remedies of creditors; and if there are substantial provisions enabling creditors to issue execution, why should the Court be called upon to do something which should prevent the creditors getting the benefit of that by execution? Then, it is also to be observed in establishing joint-stock banks, one of the great inducements to the public to deal with them is the large proprietary and the large subscribed capital which



the shareholders are all liable to, and therefore there can be no risk; but, then, an unfortunate state of affairs arises, and very naturally the shareholders are placed in a position which elicits a vast amount of pity and commiseration. At the same time I must not lose sight of the obligation which the law throws upon parties in that condition, and I must not lose sight of the inducements that are held out to persons to join joint-stock companies, and to deal with them, and, if they get into difficulties, the Court should do all it can not to prevent persons being called upon to make payments which the law has said they are under obligation to make. Therefore, although, as I said before, the Court will do all it can consistently with its duty to protect the shareholders, yet it must, in deciding this on petition, consider what is most beneficial for the creditors. With respect to the observations that were read to me by the learned gentlemen who have addressed the Court, that were made by the learned judges on this particular point, there is nothing that I can fairly lay hold of to act upon; they were mere *dicta*, thrown out with a view to do what they could for the benefit of all parties. There is only one other point that I need advert to, which I repeated during the argument—that my own opinion is that the shareholders, if I granted the prayer of this petition, would not meet with that protection which they expect; and that seems to be also the opinion of several learned counsel engaged in this case. There is only one other point, with regard to the time of presenting this petition. I think, and have all along thought during the present argument, that it is most undoubtedly quite premature to ask the Court to call upon the assignees at present to take this step. They have only just been put in a situation when they can act as assignees in the bankruptcy, and almost before they have had time to turn themselves round, they are asked to do something which may or may not be advisable. It appears to me at present, at all events, even if you were to call upon the assignees to do it—and Mr. Lawrance says, When is the time?—that is matter for consideration. It does not at all follow that proceedings are to be suspended for years before the Court will say you had better go and have the affairs finally wound up in Chancery. As long as they can be useful here for the benefit of the creditors, the Court ought not to direct the assignees to go elsewhere; but when the Court finds it would be more satisfactory to the creditors, and that it is no longer desirable the matter should be pending here, and that it would be much better to get the affairs finally wound up in the Court of Chancery, the Court would be open to such an application. Under these circumstances, I feel bound to say the application is premature, and that I ought not in the present instance to grant the prayer of the petition; that it would not be for the benefit of the creditors; and I further think, even if it were granted, it would be merely holding out a delusive hope to the shareholders. The petition must be dismissed.

Mr. Lawrance—Your Honour dismisses the petition?

The Commissioner—I must, under the circumstances.

Mr. Lawrance—Will your Honour make a note of the admissions, so that there may be no dispute upon the facts if we go elsewhere?

The Commissioner—I think each side had better agree upon the facts.

Mr. Linklater—To-morrow is the day appointed for the dividend, and we hope there will be nothing to prevent the assignees dividing the funds which will be handed over to-day by the official manager to the official assignee. The Vice-Chancellor has signed a cheque to-day for £100,000, and the assignee will be in possession of that sum; and we propose to divide that among the creditors who shall be able to prove their debts to-morrow. It is most important the money should be divided as soon as



possible. My friend Mr. Field represents several shareholders who are at present disputing their liability, but he is willing to consent to permit the assignees to divide the fund; and they propose to do so without reserving one single shilling for any purpose—without retaining anything for costs.

*Court of Bankruptcy, Basinghall-street, December 23.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

This was a meeting for the proof of debts and declaration of dividend.

Mr. Linklater appeared for the assignees; Mr. Lucas, Mr. Lawrance, Mr. Reed, and Mr. Chidley for various shareholders and creditors.

After some discussion of no public interest,

Mr. Lucas said, he appeared on the behalf of the Rev. Mr. Martin, who had proved a debt against the bank both before the official manager and in Bankruptcy. It was now sought by the assignees to expunge the proof on the ground that Mr. Martin was a shareholder. It appeared that Mr. Martin had in June last sold his shares through a broker named Tredinnick, to a Mr. Silverston. The broker stated in his affidavit that the transfer had been lodged with the bank by him.

Mr. Linklater asked that the proof might stand over. It was important that the £100,000 proposed to be divided to-day should not be disturbed by tying up any portion of that fund. There would be future dividends in which the creditors might participate.

Mr. Lucas asked that the amount of the dividend might in the meantime be reserved.

The Commissioner declined to expunge the proof, and reserved the amount of the dividend.

Mr. Lawrance stated to the Commissioner that it would be satisfactory to his honour to know that, in consequence of his having given judgment upon the petition for the appointment of a receiver so promptly, he (Mr. Lawrance) had been able to apply to the Lord Chancellor and the Lords Justices yesterday, and their lordships had given leave to serve an appeal petition to be heard on Friday, the second of January, at one o'clock; and as the Lord Chancellor would sit with the Lords Justices, all parties would have the benefit of the judgment of the full Court of Appeal.

Mr. Linklater—Your honour will permit me, probably, to mention the result of to-day's proceedings. The proofs taken to-day, with those taken on a former occasion, amount altogether to rather more than £360,000, and the assignees are anxious that the depositors, many of whom are really in want of the dividend that will be coming to them from to-day's proceedings, shall receive as large a dividend as possible. Two of them (Mr. Wyld and Mr. Maxwell), who are here to-day for the purpose of seeing that the interests of the creditors are attended to, are anxious to have determined, with the concurrence of the official assignee, that a dividend of no less than 5s. 6d. in the pound shall be declared. The official manager of the Court of Chancery certainly did not hold out such a fair prospect to the creditors; 5s. 6d. in the pound will amount to £100,000, and if we had had more opportunities than we have had of collecting the funds, we should undoubtedly have been in a position to declare to-day a much larger dividend. I have no hesitation in saying, if we had had a few more days to collect money that we have to receive, the dividend would have been, instead of 5s. 6d., 7s. 6d., and that, undoubtedly, would have been a great object to the creditors. The amount therefore that



will be paid will be an immediate dividend of 5*s.* 6*d.* in the pound. I hope in the course of another month or six weeks at least to be able to call another dividend meeting in order that a further dividend may be paid. I was observing the prospect held out to the creditors from the Court of Chancery was a dividend of 4*s.* in the pound somewhere in the month of January, and a further dividend at a more remote date. The assignees have been very anxious indeed, although they have had but since Friday last for the purpose of performing those duties which have devolved upon them, that even the few hours they have had should not be wasted, but should result in the great advantage that they appear to have gained for the creditors. They are also anxious to take this opportunity of correcting an impression which has gone abroad, that the £20,000 which is left in the hands of the official manager of the Court of Chancery, are left there to be dealt with by him for the purpose of paying his costs and expenses. That is a mistake. The £20,000 were so left, I may almost say, at the instance of the assignees, because their great object was, that there should be no delay whatever in this dividend meeting, and that this dividend meeting should not on any account be adjourned, and they named a sum, which the most unreasonable person could not object to, and £20,000 was named. We hope that a very large proportion of that amount will come back to relieve the creditors of this estate. The effect of these proceedings will be to take every shilling from the hands of the official assignee that he possesses, but that is a matter of no object to him, and personally to myself none whatever. It is none to the assignees, and it may be, in consequence of the arrangements that are now made, the assignees themselves may have to forego, until the next meeting, the dividend to which they would be entitled; but the creditors for whom they are so much interested, and who, at their hands, have received all the sympathy and commiseration that could be given, and all the assistance that could be rendered, would have been very glad if some of the wealthier depositors had reserved their proofs to a future meeting, in order that the poorer depositors, who have been kept out of their money for some time, and who have a right to their dividend, should receive that dividend. However, every creditor has a right to his dividend. I think the assignees have a right to take credit for the great vigilance with which they have discharged their duties, because the proceedings are really conducted and brought to a conclusion just the same as in an ordinary bankruptcy, and, although the proofs are very numerous, the dividend list will be prepared to-day, and there will be nothing to do but to proceed with the calculation of the dividend, which must occupy some few days. The short delay that will occur will arise more immediately from the necessity of watching those claims which are already upon the proceedings, to see that none who are not entitled to a dividend may receive it. There are several claims of creditors already on the proceedings who have accounts with the bank. Those accounts will have carefully to be checked and examined, and a few days delay will be caused by that, whereas the larger class of credits will be calculated in a few hours. It is to be hoped, however, that before this year is out the creditors will receive notice that their dividend warrants are ready for them, and they may have 5*s.* 6*d.* in the pound. (*Manifestations of applause.*)

Mr. Maxwell—If it is not informal, I think I may be permitted to say one word in reference to the extraordinary labours which our solicitors have brought to bear in this matter. As one of the trade assignees, I have had many opportunities of witnessing the extraordinary exertions made by Messrs. Linklater; and, as this Court is an open court, and many.



proceedings have taken place in it which have gone forth to the public, it would be well that all the depositors and creditors of the Royal British Bank should understand that they are very much indebted to the solicitors, Messrs. Linklater, for the extraordinary amount of legal knowledge they have brought to bear upon a very complicated case, and also for the extraordinary perseverance and assiduity with which they have followed it up, not only before your Honour, but in two other Courts, where they encountered, step by step, the most hostile opposition that it is possible for the intricacy of the law to impose. I feel I am a little wrong in doing justice to those gentlemen, but there is an urgency which impels me which I hope your Honour will excuse.

The Commissioner—I quite concur in the observation with regard to the ability and extreme diligence which the solicitors have devoted to this case throughout.

Mr. Maxwell—It has been perfectly extraordinary.

The Commissioner—It would be very satisfactory if the shareholders would adopt and devise some means of speedily satisfying the claims upon the bank.

Mr. Wyld—The committee of shareholders have sought from time to time conferences with the shareholders, but the feeling of sympathy manifested by the shareholders with the depositors has not been reciprocal.

The Commissioner—Nothing will tend so much, I think, to shake the confidence of the public in joint-stock banks as any delusion as to the claims of the depositors, and the want of payment in full of their deposits in this bank. It would be very satisfactory, indeed, upon public ground, as well as for the shareholders' own individual benefit, if they would devise some means for speedily putting such funds into the hands of the assignees as would be sufficient to pay the depositors 20s. in the pound.

Mr. Wyld—Your Honour is aware in the first instance the depositors called large public meetings, and they would have accepted a composition for their debts. They sought repeated interviews with the most influential of the shareholders, in order to effect a compromise; but I regret to say it could not be accomplished. Some few met the general body of the depositors, if not in a hostile feeling, in a feeling to retard the progress of things.

Mr. Linklater—Your Honour's remarks of yesterday and to-day are not likely to fail in their effect in the proper quarter. The shareholders will feel that it is their duty, as undoubtedly it is to their interest, to adopt that course which has been suggested. They certainly would do wisely if, instead of taking steps to remove their property from the reach of their creditors, they would perform the obligation that they owe to the persons who deposited their money in the bank on the faith of their being shareholders in the establishment.

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## Banking and Commercial Law.

ON SUPPLYING EVIDENCE IN BANKING AND COMMERCIAL MATTERS TO THE COURTS IN THE COLONIES AND FOREIGN COUNTRIES, AND ON PROCURING SUCH EVIDENCE FOR USE IN THE COURTS IN THIS COUNTRY.

ALTHOUGH the title to this paper may appear to hold out little attraction, yet we have no doubt that what we are about to write



will be read with interest by a large class of our subscribers, and will be useful for reference to all who are engaged in colonial and foreign transactions, particularly as there are but few legal men who have any practical acquaintance with the subject. The extension of trade and the modern facilities for travelling and emigrating have caused an immense amount of banking and commercial business to be carried on between the inhabitants of the United Kingdom and the colonies and foreign countries. As regards foreign countries, we cannot make laws for them, but as regards our own colonies it is quite within our power to provide for effecting justice between parties who have rights to enforce or disputes to settle. It is now very common for a merchant in London to send goods to Australia and to receive a bill of exchange in payment drawn on a house in Liverpool or some other town in the United Kingdom, which house fails, and the merchant is driven to sue the drawer in Australia, who disputes or may dispute the presentment and notice of dishonour. When this happens or is anticipated, natural difficulties are thrown in the merchant's way by distance, by having to prove in the Courts in Australia facts which occurred here, and it is desirable to ascertain what machinery the law has provided for getting over these difficulties and administering substantial justice.

The importance of the subject cannot be denied, and all the information which after much investigation we have been able to collect shall be placed before our readers in the course of this and another paper.

The first statute bearing on this subject is the 5 Geo. II., c. 7, "An act for the more easy recovery of debts in his Majesty's plantations and colonies in America." This act provides that "in any action or suit then depending or thereafter to be brought in any court of law or equity in any of the said plantations, for or relating to any debt or account wherein any person residing in Great Britain shall be a party, it shall be lawful for the plaintiff or defendant, and also for any witness to be examined or made use of in such action or suit, to verify or prove any matter or thing by affidavit or affidavits in writing upon oath, or in case the person making such affidavit be one of the people called Quakers, then upon his or her solemn affirmation made before any mayor or other chief magistrate of the city, borough, or town corporate of Great Britain where or near to which the person making such affidavit or affirmation shall reside, and certified and transmitted under the common seal of such city, borough, or town corporate, or the seal of the office of such mayor or other chief magistrate, and every affidavit or affirmation so made, certified and transmitted, shall, in all such actions and



suits, be allowed to be of the same force and effect as if the person or persons making the same upon oath or solemn affirmation as aforesaid had appeared and sworn or affirmed the matters contained in such affidavit or affirmation *viva voce* in open Court, or upon a commission issued for the examination of witnesses, or of any party in such action or suit respectively, provided that in every such affidavit and affirmation there shall be expressed the addition of the party making such affidavit or affirmation, and the particular place of his or her abode."

The next statute bearing on the subject is the 26 Geo. III., c. 57, which enacts, "that whenever any bond or other deed of writing executed in the East Indies, and attested by any persons resident there, shall be offered in evidence in any of the Courts of justice in Great Britain, it shall be sufficient to prove, by one witness, that the names subscribed to such bond, &c., and of the witnesses attesting the execution of the same, are of the proper handwriting of the parties, and that their witnesses are resident in the East Indies; and in like manner all Courts of Justice in the East Indies shall admit the like proof of the execution of bonds and other deeds executed in Great Britain and witnessed by any persons resident in Great Britain; and such proofs shall be sufficient evidence of the execution of such bonds as if the witnesses were dead."

The next statute bearing on the subject is the 5th and 6th Wm. IV., c. 62, the 15th section of which enacts, "that from and after the commencement of this act, in any action or suit then depending or thereafter to be brought or *intended to be brought* in any Court of law or equity within any of the territories, plantations, colonies, or dependencies abroad, being within and part of his Majesty's dominions, for or relating to any debt or account wherein any person residing in Great Britain and Ireland shall be a party, or for or relating to any lands, tenements, or hereditaments, or other property, situate, lying and being in the said places respectively, it shall and may be lawful to and for the plaintiff or defendant, and also to and for any witness to be examined or made use of in such action or suit, to verify or prove any matter or thing relating thereto by solemn declaration or declarations in writing in the form in the schedule hereunto annexed, made before any justice of the peace, notary public or other officer, now by law authorised to administer an oath, and certified and transmitted under the signature and seal of any such justice, notary public, duly admitted and practising, or other officer, which declaration and every declaration relative to such matter or thing as aforesaid, in any foreign kingdom or state, or to the voyage of any ship or vessel, every such justice



of the peace, notary public, or other officer, shall be and he is hereby authorised and empowered to administer or receive; and every declaration so made, certified and transmitted, shall in all such actions and suits be allowed to be of the same force and effect as if the person or persons making the same had appeared and sworn or affirmed the matters contained in such declaration *visd voce* in open Court, or upon a commission issued for the examination of witnesses, or of any party in such action or suit respectively: Provided that in every such declaration there shall be expressed the addition of the party making such declaration, and the particular place of his or her abode."

In conclusion of this paper, we refer to the following statutes, that it may not be supposed we have overlooked them; but, as we shall hereafter show, they do not relate to the taking of evidence with a view to future proceedings:—

The 13 Geo. III., c. 68. s. 44, and 1 Wm. IV., c. 22, which empowers the Courts to issue a writ in the nature of a mandamus or commission, to the Courts in India and elsewhere in the Queen's dominions abroad, for the purpose of procuring the evidence of witnesses there. The 1 Wm. IV., c. 42, s. 4, which empowers the Court or a judge to order a commission to issue for the examination of witnesses on oath at any place or places out of the jurisdiction of the Court by interrogatories or otherwise. 6 and 7 Vic., c. 22, "An act to authorise the legislatures of certain of her Majesty's colonies to pass laws for the admission, in certain cases, of unsworn testimony in civil and criminal proceedings." The 19 and 20 Vic., c. 113, "An act to provide for taking evidence in her Majesty's dominions in relation to civil and commercial matters pending before foreign tribunals."

Having given all the statutes we can find bearing on the subject, we shall make such observations explanatory of the same as appear to us likely to be useful, in the next number of the magazine.

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## Legal Miscellany.

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*Court of Bankruptcy, Basinghall-street, Dec. 2.—(Before Mr. Commissioner EVANS.)*

IN RE STRAHAN, PAUL, AND BATES.—JUDGMENT.

HIS Honour delivered judgment in this matter on a point fully argued. He said, this was a petition requiring the Court to decide whether a certain sum of money now in the hands of the assignees should be considered to



belong to the separate estate of Strahan or to the joint estate. It appeared that a large sum of money was borrowed by the three partners on the joint account, and that Strahan deposited securities belonging to himself as security for the amount. There were also joint securities deposited. The debt remained undischarged at the time of the bankruptcy. The assignees had the management of the business, and they sold the securities of Strahan, and with the produce, and also the produce of part of the joint securities, discharged the debt. The sum now in question was the produce of the residue of the joint securities. It was clear that in the case of bankruptcy the assignees were bound to keep separate accounts of the joint and separate trades, and that the joint creditors must prove on the joint estate, and the separate creditors on the separate estate, and that the joint and separate estate were entitled respectively to the property belonging to them. This separate property of Strahan thus deposited still continued to be the property of the separate estate in his judgment, and he thought the assignees were bound to use the partnership securities previous to taking any part of the separate property, and that, consequently, the sum in question must go to the separate estate.

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*Court of Chancery, Lincoln's Inn, Dec. 4.—(Before the LORD CHANCELLOR and the LORDS JUSTICES OF APPEAL.)*

**IN RE ROYAL BANK OF AUSTRALIA AND ROBINSON'S EXECUTORS, EX PARTE THE OFFICIAL ASSIGNEE.—JUDGMENT.**

This appeal from an order of Vice-Chancellor Stuart was argued in the month of June last, and stood over for judgment. The question to be determined was a very important one—namely, whether a call made by the Master under the Winding-up Acts, 1848 and 1849, was a specialty debt, or merely a simple contract one. The facts were that the testator in the case, Joseph Phelps Robinson, in the year 1840, became a director of the above-mentioned bank, and as a qualification for that office took and paid the deposit on twenty shares. At a meeting of the directors of the company, held on the 7th of August, 1840, it was resolved that each of the directors should render himself responsible to take, either by himself or through his friends, a certain number of additional shares. The testator on his part agreed to take 100 additional shares, and, in pursuance of this arrangement, sent a letter to the directors, by which he bound himself at such time or times, within four years from the date of the deed of settlement, as should be most convenient to him, to pay the deposits and calls upon such 100 shares, with interest thereon at 5 per cent. per annum from the time appointed for the payment of the same, until such calls and deposits should be paid by him. Robinson executed the company's deed of settlement, which was dated the 3rd of August, 1840, and which was made between the several parties who should execute it of the first part, and two covenantees of the second part; and by the third clause the parties thereto of the first part covenanted with the parties of the second part in manner after mentioned—that is to say, "That the capital of the company shall be £1,000,000, divided into 20,000 shares of £50 each, and the proprietor of each share shall bring in and pay to the company the full sum of £50 in respect of such share, as and when called upon so to do in manner hereinafter provided, the sum of money previously brought in or paid in respect of the same being allowed as part of such sum of £50, and the capital for the time being paid and brought in shall be used and employed in the business of the company, and each of the proprietors shall be entitled to the profits and liable to the losses of the company, in proportion to his shares." A subsequent



clause of the deed provided for the mode in which the directors should make calls, not exceeding in the whole the sum of £50. The testator, Robinson, died in August, 1848. In 1850 an order for winding up the affairs of the company, under the Joint-Stock Companies' Winding-up Acts, was made, and Robinson's executors were placed on the list of contributories, not only in respect of the twenty shares originally taken, by the testator, but also in respect of the 100 additional shares which he on the 7th of August, 1840, agreed to take. After the winding-up order had been obtained, but before the call in question was made, the executors of Robinson had distributed the testator's assets in payment of his specialty and simple contract debts, and had retained a portion of his assets in respect of a simple contract debt due to them from the testator. The executors had by consent passed their executorship accounts before the Master, and a balance of about £350 remained in their hands. The Master in taking such accounts, held that a call of £100 a share on 120 shares held by the testator, made in pursuance of the winding-up order, was a specialty debt, and overrode the set-off claimed by the executors in respect of the simple contract debts paid by them. An appeal from the Master's order was then brought before Vice-Chancellor Stuart, who called in the assistance of Mr. Justice Erle, and the result of their joint opinion was, that the order of the Master ought to be reversed, and the call made by him considered as only a simple contract debt. This decision was in turn brought by appeal before the Lords Justices, and, after a lengthened argument, at their lordships' suggestion, was mentioned to the Lord Chancellor, with a view of having the matter discussed before the full Court of Appeal. His lordship directed the case to be argued by one counsel on each side before the full Court, and called in the assistance of Mr. Justice Cresswell and Mr. Baron Martin. About a fortnight back Mr. Justice Cresswell delivered the joint opinion of himself and Mr. Baron Martin, to the effect that the decision of the Vice-Chancellor was correct.

The Lord Chancellor this morning delivered the judgment of the Court, but owing to the darkness arising from the dense fog only a very meagre note of it could be obtained. His lordship, after going through the facts as above-mentioned, was understood to say that it was not disputed that the calls made by the Master under the winding-up acts were for a very proper purpose, and therefore the question turned upon the effect of the third clause in the deed of settlement. Now the arguments in favour of a specialty debt were, that the shareholders of the company had, by deed under seal, covenanted to contribute rateably for all the losses of the company, and, as the calls made by the Master were proper, and for the purpose of making good such losses, the terms of the third clause in the deed applied, and the contribution asked for must be regarded as a specialty debt. This, in his opinion, was hardly a fair view of the case, for the liability to contribute under the third clause must be governed by the ordinary rules of the law of partnership. By that law any one solvent partner was liable for all the debts under the partnership, and how could the third clause be said to apply to such a case? If, then, the third clause did not apply to the case of one solvent partner, neither could it apply in cases where, like the present, there were many solvent partners. When the amount of all the calls had been raised, and the liabilities of the company liquidated, there might be a right of contribution among partners *inter se* under the third clause in the deed. With this view of the case, and being of opinion that the liability to pay the call of the Master was not a liability arising under the deed of settlement, but one imposed by the winding-up acts under the ordinary partnership law, he



(the Lord-Chancellor) agreed with the decision of the Court below and the opinion expressed by Mr. Justice Crosswell that the call in question was only a simple contract debt.

Lord Justice Knight Bruce said, if the case had been heard out before the Lords Justices alone he was not sure that his judgment would not have been in accordance with the opinion he had expressed in the course of the arguments, and which he had written down. His lordship then read his recorded opinion, which was to the effect that he considered Robinson had, by the deed of settlement, covenanted to pay his proportionate share of the losses of the company, both in respect of the 20 shares and the additional 100 shares taken by him, and that, as he was liable to the call made by the Master in consequence of such covenant, the call itself was a specialty debt. He was not convinced that that view of the case was inaccurate. However, at the same time he must not forget the Court of which he was then a member; the case was not simply before the court of the Lords Justices; nor must he forget that the appeal was against an order made by one of the Vice-Chancellors, assisted by Mr. Justice Erle. Attending to such considerations, and seeing that the decision of the Court below was approved by the Lord Chancellor, Mr. Justice Crosswell, and Mr. Baron Martin, he thought it his duty to submit to such authority, though differing from its conclusion. Being therefore of opinion that, under the circumstances, it was far too serious a matter to alter or vary the order of the Vice-Chancellor, he should decline to make any alteration or variation in it.

Lord Justice Turner said he must also concede his opinion to the majority, but at the same time must add that he had always been of opinion that the winding-up acts were intended to adjust the existing rights of parties in a way that the courts of law were unable to effect, but not in any way to alter the force and nature of contracts themselves. Adapting those principles to the present case, the question whether the call of the Master were a specialty debt or not must depend upon the deed of settlement. In that deed there was a contract under seal to contribute towards the debts of the company, and such a contract a court of equity would hold to be a specialty debt, whether an action at law could be sustained on the covenant or not. This was his (Lord Justice Turner's) view of the case, and although it was to an extent opposed to that of the majority of the learned judges who had heard the motion, he was unable to divest his mind of the impression that it was the correct view, but at the same time he would bow with submission to such authority, and decline to vary the order of the Court below.

Order affirmed without costs.

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*Court of Bankruptcy, Basinghall Street. Dec. 5.—(Before Mr. Commissioner FONBLANQUE.)*

IN RE SAMUEL ADAMS.

The bankrupt was a banker, of Ware and Hertford.

This was a petition, on the part of the trustees of the Hertfordshire Savings Bank, that a sum of £837, in the hands of the bankrupt as its treasurer might be ordered to be paid in full out of the bankrupt's estate.

Mr. Fonblanque appeared for the petitioners, and Mr. Hannen for the assignees.

It appeared that the bankrupt had been duly appointed treasurer of the savings bank at a meeting of the trustees. Security had been given, but,



the security being found insufficient, reliance was now placed upon the law for the protection of savings banks.

Mr. Fonblanque contended that, under the 12th and 13th of Victoria, chap. 106, sect. 167, and the 18th and 19th of Victoria, chap. 63, sect. 23, trustees were entitled to payment in full. The bank had been founded in accordance with the general rules for the formation of savings banks; and he cited *Ex parte Biddell* (3 Montagu, Deacon, and De Gex, page 80), in support of the petition.

Mr. Hannen submitted that, such an especial privilege being allowed by the legislature to depositors in savings banks, it was but due to require great strictness on the part of the trustees. In this case, only one surety had been required. Money had been paid into the bank of Samuel Adams and Co., without specifying that it was to be passed to the credit of Mr. Adams, the treasurer of the bank. The money might be regarded as deposited with the bank of which Mr. Adams was the principal, and not with Mr. Adams in his character of treasurer. The sum, too, thus placed in the bank, was excessive, being an amount that exceeded on the average the entire liabilities of the trustees. One of the conditions required by the statute was that no treasurer of a savings bank should directly or indirectly derive any benefit from his office. Here the trustees allowed Mr. Adams to deal with deposits as with other moneys entrusted to the bank. It was contrary to the spirit of the legislature that trustees should be able to recover the money of savings banks where there had been such negligence as in this case.

Mr. Fonblanque contended that the circumstance of the treasurer happening to be a banker ought not to weigh on the judgment of the Court. The amount in the hands of the treasurer might be excessive in ordinary circumstances, but here there was an extraordinary circumstance. There was evidence of a sudden run on the savings bank, and the trustees were entitled to protect it against that run in the same manner as other bankers did—by having the amount available.

Mr. Hannen dissented. The depositors in a savings bank were different to the depositors in other banks. They must give notice before they could withdraw their money.

His Honour said he could not distinguish the case from *Ex parte Biddell*. He did not consider the trustees had been guilty of such gross *laches* as to deprive them of the benefit of the statute. He must, however, express surprise that the trustees had required only one surety. He feared that very little would be got from him. Two sureties ought to have been obtained. One only was not to be depended upon.

Mr. Hannen.—And that one was a maltster, whose property has been taken by the Crown.

His Honour.—That made the matter worse than ever. No surety ought to be accepted by a savings bank who was liable to extents from the Crown. The conduct of the trustees had been faulty. He could not, however, consider it so faulty as to call upon him to mulct them in the sum of £800. Having referred to a case in which the trustees of a savings bank had, with one exception (the rich man of the body), voluntarily subscribed £500 each to meet a deficiency of this kind, his Honour said he should not allow costs against the assignees, who had acted quite right in making the claim the subject of investigation.

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*Court of Chancery, Lincoln's-Inn, December 15.—(Before the LORD JUSTICE OF APPEAL.)*

IN BANKRUPTCY.—EX PARTE WRYGTE, IN RE MARK BOYD.

This petition of appeal of the official manager of the Royal Bank of Australia against a decision of Mr. Commissioner Fane, by which he had granted Mr. Mark Boyd, the bankrupt, an immediate certificate of the first class, and praying that the certificate might be recalled, was heard before the last long vacation, and during several days in Michaelmas Term.

The counsel engaged were Mr. Daniel and Mr. Roxburg for the appellant; Mr. Beacon, Mr. Selwyn, and Mr. Needham, of the common law bar, for Mr. Mark Boyd; Mr. Swanston for creditors who agreed with the appellant.

Lord Justice Knight Bruce said, that having in this case, after much consideration, formed an opinion not in accordance with that arrived at by a valued friend of great ability and acquaintance with matters of this nature (Mr. Commissioner Fane), he was obliged to acknowledge such dissent; but had the consolation of thinking that this dissent was more in appearance than reality. Materials were before this Court which were not before the commissioner, and the case was much more fully argued here than before his Honour. Still, notwithstanding this additional evidence and argument, his lordship was for more than one reason unwilling to disturb the certificate, not merely on account of the weight due to the learned commissioner's opinion, but because the question at issue was of greater importance to the bankrupt than to the appellants and the other parties concerned, viewed simply as a private matter. His lordship did not forget also that the severity of this Court against bankrupts for departing from the right course had been disapproved in some quarters,—a disapproval which was not to the dissatisfaction of his Lordship, and which had inclined him favourably to the present bankrupt. But he had been unable finally to avoid coming to a conclusion unfavourable to him and his case, and was unable to uphold the judgment of the learned commissioner. The question whether Mr. Benjamin Boyd was living in 1854 and 1855, and was now, must be answered in the negative, or, at any rate, had never since September, 1854, been from very great doubt. Neither the theory of his death before 1854, nor the fact of his being so now, could justify the conduct of Mr. Mark Boyd in respect to the transaction in which he had been engaged in the purchase of Sardinian stock. The adjudication of bankruptcy took place on the 20th of March, 1855; the act of bankruptcy was committed on the 26th of January preceding, the petition of appeal being presented not before the 7th March, 1856. The act of bankruptcy was created by the issuing of what was called a "trader-debtor summons," on the 7th January, 1855, upon which Mr. Mark Boyd, on the 18th of the same month, admitted the debt £30,450, and that the same was due before October, 1855, and that debt was proved under the bankruptcy. All this was made distinct by the trader-debtor summons, the admission of the debt, and the affidavit of Mr. Wrygte. The business, such as it was, of the Royal Bank of Australia, stopped before the year 1850, and after the decision of the Court of Queen's Bench, in the cause of *Maclean v. Sutherland*, the call made on Mr. Mark Boyd, the subject of the debt, was shown to be one by which Mr. Mark Boyd and his estate had become both legally and equitably bound, and was so from November, 1854, and it was quite impossible upon the evidence not to come to the conclusion that in October, November and December, 1854, and thenceforth until the adjudication, Mr. Mark Boyd was deeply insolvent, and well knew that he was so. With regard to the evidence regarding Mr. Benjamin Boyd, if it were to be taken that he was alive after 1852, it was clear he never was in Europe after



that year, and that before October, 1854, down to this hour, Mr. Mark Boyd considered that he was dead, or was wholly uncertain whether he was alive. In his balance-sheet, or rather the alleged balance-sheet of Benjamin and Mark Boyd, in a note the latter said that since his bankruptcy dispatches had been received at the Admiralty from Captain Denham, which left it doubtful whether Benjamin Boyd had been murdered in 1851. In such a state of things Mr. Mark Boyd, late in the month of November, 1854, received a letter from Mr. Bell, desiring him to purchase £1,000 Sardinian stock, on behalf of or in trust of his three sons named, if he (Mr. Boyd) approved the investment. In consequence of that letter Mr. Mark Boyd contracted with Mr. Levi for that amount of stock, and in a letter to Mr. Bell of the 25th of the month, he said he now advised him of the purchase, and expressed his opinion to be favourable to the investment. Mr. Bell sent the money, £842 10s., and it was sent for a specific purpose, and it was therefore the duty of Mr. Mark Boyd to have so applied it, or to leave it or the stock it was intended to represent in such a state that Mr. Bell could claim it, and not be a mere general creditor on the estate of Mr. Mark Boyd. Mr. Bell was left without his money, and in such a state of circumstances to suppose that a certificate could be granted, or, if granted, without a very considerable degree of suspension, was totally out of the question. The money was used by Mr. Mark Boyd, and Mr. Levi was not paid until the eve of the bankruptcy, and then, as to part, by a debenture of the company. Upon the sales of the debentures of the Royal Bank of Australia his lordship read, at very great length, the examination of the bankrupt, upon which his lordship said there were solid and substantial grounds for a refusal, or, at any rate, a long suspension of the certificate. If, however, beyond the cases of the sales to Levi, Ashurst, and the case of Mr. Bell, there had been nothing to found dissatisfaction as to the proceedings of Mr. Mark Boyd, the judgment of the Court might have been less severe—possibly a less severe punishment might have been awarded; but when there were added to all this, the personal expenditure of Mr. Mark Boyd for some years, the state of his books, the nature of his proceedings in Mr. Coate's matters, and the transaction relating to his wife's fortune, and his dealings with the Australian debentures, other than those before referred to, and considering the nature and effect of the bankrupt's numerous dealings, his lordship declared that, according to his opinion, seeing that in his character of the Royal Bank of Australia, there had been with his assent a declaration of dividends without money applicable to pay them, that there was the very dishonest report, and considering the systematic and gross deception practised upon the shareholders until they were ruined, this was not a case in which the severity with which the Court had dealt with obliquity and insincerity could be relaxed, and he (the Lord Justice) would be no party to any judgment less severe than he was about to pronounce. Nor was he sure that society had not a claim upon the Court to act with still greater severity. The bankrupt must be declared entitled to a certificate of the second class at the end of five years from the present day, and have no protection till the first of February next.

Lord Justice Turner had nothing to add, excepting his entire concurrence in the view of his learned brother; but he was not sure that upon the evidence the proceedings of the bankrupt did not bring him within the consequences of the penal clauses of the bankrupt law. Having, however, a doubt upon that point, he would give the bankrupt the benefit of that doubt. The order of the commissioner would be discharged and the certificate be recalled, and the order be as already stated.



## Reports of Joint-Stock Banks.

### NORTH OF SCOTLAND BANKING COMPANY.

THE following report of the directors of this bank was adopted at the twentieth annual general meeting held in the banking house, on Friday, the 7th November.

It is gratifying to the directors to have again to present a statement to the shareholders, which they expect will give satisfaction. The free profits of last year, after providing for all bad and doubtful debts, and deducting the whole of the income tax, amount to £31,116 13s. 11d., being upwards of fifteen per cent. on the paid-up capital of the bank, to which has to be added a balance of £1,524 15s. 2d. brought forward from the previous year, making together the sum of £32,641 9s. 1d. available for disposal. This sum the directors have appropriated in the following manner, 1st—For dividend and bonus £22,000; namely, £8,000 for the dividend of four per cent. for the half-year ending 31st March last, paid in May,—£10,000 for dividend of five per cent. for the half-year ending 30th September last, and £4,000 being a bonus for the year of two per cent.,—all free of income tax. 2nd—Towards the reduction of the sum standing in the books against the banking house property £2,065 7s. 6d. Last year this sum was £10,000, but it has been increased during the year by the redemption of a feu-duty of £39 7s. 6d., payable to the town of Aberdeen, which cost £984 7s. 6d., and the purchase of a piece of ground adjoining the bank's property in Stonehaven, which cost £81. Notwithstanding these purchases, the cost of the whole of the banking-house property is now reduced in the books to £9,000. 3rd—A large supply of notes of the different denominations issued by the company was procured during the year, which cost, including stamps, £1,060 13s. 4d., and this sum has been wholly paid out of the profits of the year. 4th—The directors have carried £7,333 6s. 10d. to the reserved fund, which, along with the dividends amounting to £666 13s. 2d. on the £20,000, the previous amount of that fund invested in three per cent. consols, will make the reserved fund £28,000. This addition of £8,000 has also been invested in three per cent. consols. There still remains a balance of £182 1s. 5d., which has been carried forward to the profit and loss account of the following year. The directors have raised the dividend of the past half-year to the rate of ten per cent., as they feel confident they will be able to continue it at that rate, but the shareholders should understand, that, although a bonus has been declared annually out of the profits of the last three years, it must be regarded as merely a temporary benefit which can only be given in years that are more than ordinarily prosperous. In the course of the past year the directors opened sub-branches at Methlick and Longside, two places within the sphere of their legitimate operations, but, although they have had numerous applications from other places to establish branches, they have in all cases declined, as they do not consider it to be for the advantage or security of the bank to extend its ramifications beyond its proper district. In terms of the contract of copartnership, transfers of stock cannot be "entered in the books of the company for twenty days previous to the period when the said books are directed to be balanced, nor until after the annual general meeting." As the shutting of the books against transfers for twenty days previous to the date of the annual balance is inconvenient and unnecessary, the directors propose to alter that regulation; but, on the other hand, they intend to ask authority



not to admit transfers from the 31st March yearly, the date of the half-yearly balance, until the first Friday of May following, when the Spring dividend is payable, a measure which, in order to insure accuracy with the dividends, they have been obliged to adopt in practice. Provision is made in the contract for the election, every fifth year of a governor, deputy-governor, and twenty-one extraordinary directors, but they are expressly exempted by the contract from taking any charge of the affairs of the company, and as that is an anomolous position for any body of gentlemen to be placed in, the directors recommend that these offices be abolished altogether. Resolutions for carrying out these alterations on the contract of co-partnership will be laid on the table, to be considered and decided at the next general meeting, and, in the meantime, the directors recommend that the election of a governor, deputy-governor, and extraordinary directors, which should take place at the present time, be postponed until the question of their continuance be finally disposed of. It is with feelings of sincere regret that the directors advert to the death of Mr. John Duncan, one of their colleagues, a gentleman of frank and kindly disposition, who had long been a member of the board of directors, and always took a warm interest in the prosperity of the establishment. The directors have also to mention that Mr. Francis Edmond, considering that he could act more satisfactorily as law agent of the bank if not a director, resolved to retire from the direction. They think it almost superfluous to state what is well known to the shareholders generally, that Mr. Edmond has for many years been a most diligent and faithful member of the sub-committee, and in that capacity has done the bank good service. All the other directors retire from office, but may be re-elected. Annexed is a statement of the Assets and liabilities, and of the appropriation of the profits.

LIABILITIES.

Paid-up capital, £2 10s. per share on 80,000 shares	... £200,000	0	0
Reserved fund—			
Invested in 3 per cent. consols per contra £20,000	0	0	
Dividends accrued	... .. 666	13	2
		20,666	13 2
Due by the bank on current accounts and deposit receipts	1,315,589	18	8
Circulation	... .. 204,024	0	0
		£1,740,280	11 10
Surplus	... .. 32,641	9	1
		£1,772,022	0 11

ASSETS.

Investment in government and other securities, loans on cash credits, bills discounted, &c., balances with other banks, gold and silver coin, and notes of other banks	...1,733,856	18	5
£22,222 4s. 5d. Stock in 3 per cent. consols (reserved fund)	20,000	0	0
Banking-house at Aberdeen, Banff, Huntly, Inverury, Stonehaven, and Aboyne, reduced last year to	... .. 10,000	0	0
During this year, the feu-duty on part of ground at Aberdeen has been redeemed for	... .. 984	7	6
Carried forward	...£10,984	7	6
		£1,753,856	18 5



*Reports of Joint-Stock Banks.*

Brought forward	...£10,904 7 6	£1,753,853 13 6
And piece of ground at Stonehaven purchased for	... .. 81 0 0	
		11,065 7 6
Dividend, last May	... .. 8,000 0 0	
		<u>1,772,922 0 11</u>

## APPROXIMATION OF SURPLUS.

Dividend on paid-up capital:—for half-year ending 31st		
March last already paid, 4 per cent.	... ..	£8,000 0 0
For half-year ending 30th September last, 5 per cent	... ..	10,000 0 0
Bonus 2 per cent.	... ..	4,000 0 0
Banking-houses, to farther account of Cost	... ..	2,065 7 6
Cost and stamps of supply of company's bank notes	... ..	1,060 13 4
Reserved fund (which will now amount to £28,000)	... ..	7,333 6 10
Balance undivided to profit and loss in new account	... ..	182 1 5
		<u>£32,641 9 1</u>

## HIBERNIAN BANK.

The half-yearly meeting of the shareholders of this company was held on the 1st of December, at the bank, Castle-street, Mr. J. Fallon, Governor, in the chair.

Mr. Butler, the secretary, read the following report and abstract of accounts:—

"Gentlemen—The account now laid before you exhibits a gratifying evidence of the increased prosperity of your company, showing a net profit on the transactions of the year of £23,933 11s. 7d.

"Viewing this prosperous state of your affairs, and having a full reliance on its continuance, your board feel justified in recommending the payment of a bonus of three per cent., in addition to the usual dividend, making together nine per cent. on the year; and they feel further warranted in this, being enabled to do so out of profits, leaving a surplus as usual to be added to the rest.

"Your board, since last they had the pleasure of meeting you, have established a branch in the town of Athy, which they have no doubt, after a time, will prove both a safe and profitable means of employing a portion of your capital.

"In consequence of increased business, your present cash office has been found much too small for the requirements. The board, therefore, have been induced to make an addition to the bank house, which is now in progress, and which, from the large accommodation it is calculated to afford, will allow them to concentrate the business of the establishment in one office, and be a source of great convenience to the public. They trust this alteration will meet with your approval.

"According to rotation, the directors retiring this year (but who are eligible to be re-elected) are Mr. Moylan and Mr. Galavan; and, in consequence of the lamented death of a much-respected member of your board, the late Mr. Pilsworth, you will be called on, at the next election for directors, to select another in his place.

"It now only remains for the board to recommend for your adoption the



payment (out of clear profits) of a dividend at the rate of six per cent. per annum, and a bonus of three per cent. (both free of income tax) on the advanced capital, for the half year ended the 1st of November last."

**Abstract of the affairs of the company to 1st of November, 1856, pursuant to the deed of settlement.**

Assets of the company	...	...	...	£782,906	1	1
Due to the public	...	...	...	453,149	18	10
				329,756	2	3
Capital of the company, £1,000,000; 25 per cent. paid	...			250,000	0	0
Balance to credit of profit and loss, in favour of the company	...	...	...	79,756	2	3
Net profits for the year ending 1st November, 1856, after deducting all charges of management and income tax.				£23,933	11	7

The chairman moved the adoption of the report and statement of accounts.

Alderman Moylan seconded the resolution, which was agreed to.

The chairman then moved, successively, that a dividend of six per cent., with a bonus of three per cent., be declared, and that the transfer books be closed till the 15th inst.

The motions passed unanimously.

Mr. Ospeck proposed a vote of thanks to the board of management of the efficient manner in which they had conducted the affairs of the bank.

Mr. Blayney second the motion.

Mr. Hynes said that the report was very satisfactory, but, nevertheless, with their fine establishment, it was an extraordinary thing that their shares were not so highly appreciated as those of other companies. He did not mean to say that the directors could prevent that state of things, but it was a matter that required explanation, and he should be glad to hear one. There must be some reason for it. The public out of doors, there could be no doubt, were of the opinion that the board was too exclusive and too limited, and perhaps that was the cause of the establishment not being appreciated as it ought to be. Three years ago the directors asked the shareholders to alter their rules, in order to afford an opportunity to men of position and influence to join the board. (Hear, hear.) It was also asked that the board should be ineligible for re-election; and, in consequence of these proceedings, he thought there would have been a valuable accession to its members; but they still found the same highly respectable board in office. Out of doors it was called the "family party." There was as yet no weighty accession to the board, but now that a vacancy had occurred, it was to be hoped that some man of high standing and position, and who would take a deeper interest in the establishment than the present directors appeared to do, would be chosen to fill it. It was also the subject of observation, that the gentlemen composing the board had not such a stake in the establishment as it was reasonable to expect that men would have who were entrusted with such a responsible position. He found from the share list that the entire body of directors had not £70,000 of the paid-up capital of the bank. They had also been decreasing their interest, until they had reduced it to that point which barely enabled them to hold their posts. Furthermore, the company had lost a good number of their most influential shareholders within the last three years.



The Lord Mayor said that it would be satisfactory if Mr. Hynes were to name them.

Mr. Hynes said that Mr. Valentine O'Brien O'Connor was one.

Alderman Moylan said that, with the exception of holding two shares, which he voted out of, Mr. O'Connor was not a large shareholder for many years.

The Lord Mayor said that the directors had not reduced their stock this year.

Mr. Hynes said that he did not say this year, but they had reduced it within the last three years.

The Lord Mayor observed that the directors had other business to manage, and if it became necessary they should draw capital for it. He could not himself afford to have more money in the bank than what he had, but that would not be a ground for saying that his brain was not clear, or that he was not qualified to conduct its affairs. There was an accession to the board every year, and they had been soliciting the public to come in.

Mr. Hynes asked why should they not select a gentleman like Mr. D'Arcy, who was on their list?

Lord Mayor—We will make the best selection we can.

Alderman Moylan remarked that Mr. D'Arcy would not serve in this or any other establishment.

The Lord Mayor said that he had been connected with Sir Timothy O'Brien, which was the only family connection that existed amongst the board; therefore the charge of its being a family party was utterly groundless. He was quite satisfied to retire, if necessary, and he thought he might say the same of Sir Timothy O'Brien. Men of upright conduct were not to be driven out because it might happen that they had a connection amongst the directors.

Mr. Cappock said that if the directors were changed he would not have the confidence in the bank.

Alderman Moylan remarked that if Hynes instanced any particular fact, the directors would be able to grapple with it.

Mr. Hynes said that he did not want to make a charge against any one. All that he wished to say was, that the board was limited to its present members, and that the members of it did not hold more than £70,000 of the stock.

Alderman Moylan observed that the board might get credit for not increasing the capital on the eve of a bonus.

The Lord Mayor stated that this bank was only imitating the example of the Royal Bank and the Bank of Ireland, where there were the same set of directors.

A Director—And no complaint is made by the proprietors.

The resolution was then put and carried.

Mr. Butler, T.C., moved a vote of thanks to Mr. Fallon for his conduct in the chair.

Mr. Fottrell, in seconding the resolution, observed that if the directors had increased the stock just now, it would operate prejudicially to them out of doors.

The motion was then agreed to, and the meeting separated.

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#### BANK OF AUSTRALASIA.

THE half-yearly meeting of the Bank of Australasia took place at the offices of the corporation in Threadneedle-street, on the 8th of December, Mr.



D. Q. Henriques presiding. Although the report presented by the directors was not on this occasion accompanied with accounts, there was a numerous attendance of proprietors. That document was as follows :—

“ The directors have, on the present occasion, but few observations to make on the affairs of the bank, their statement, as usual at this period of the year, being unaccompanied by accounts. The progress of improvement in the Australian colonies, and the further expansion of their productive resources, continue to be subjects for congratulation. The recovery from the derangement of commercial affairs in 1854 has not been so speedy as was anticipated, but trade has gradually and steadily assumed a more healthy condition. At the same time increased competition must have the effect of diminishing the profits of banking generally. A fresh stimulus has been imparted to colonial enterprise and industry by the increased yield of gold in Victoria, and recent discoveries encourage the belief that a remunerative gold field has been found in New South Wales. The copper mines of South Australia have resumed operations, and efforts are making to develop other sources of mineral wealth in the colonies. The new branches of the bank continue to work satisfactorily. The directors have the pleasure to state that the investment of the guarantee fund of £200,000 has been completed. The negotiation for the renewal of the charter with Her Majesty's Government has been more protracted than was expected, but the directors are enabled to inform the proprietors that the conditions have now been arranged to their entire satisfaction. The directors are enabled to announce their intention to continue the dividend and bonus at the present rate of 20 per cent. per annum, payable next April, as usual, free of income-tax.”

The secretary having read the report,

The chairman, in moving its adoption, said, that notwithstanding some anxiety attended the performance of duties such as he was called upon to discharge, the position he occupied on this occasion was less onerous than that which had fallen to the lot of some of his predecessors, considering the prosperous circumstances in which the bank was now placed. Connected as the proprietors were with Australia, it was satisfactory for them to witness the rapid expansion taking place in the various resources of those colonies; and, while the exports of wool, once the most prominent staple of their trade, continued to be fully supported, the yield of gold, the produce of recent discoveries, and the development of which was of vital importance to the commerce of the world, was not only maintained but was largely on the increase. (Hear.) This was illustrated by the estimate that Victoria alone would during the present year furnish 3,000,000 ounces, the largest amount yet known, in addition to a further sum to be expected from New South Wales as the result of late explorations. Turning to the trade of South Australia, that also exhibited improvement and extension, the value and importance of its ores with smelting operations contributing greatly to enhance its success. The intercourse opened with the neighbouring settlements would rapidly advance its position, and incalculable benefit was likely to be derived from the navigation of the river Murray, which could be made available during eight months of the year, and at a season when it was most important, traffic being then impeded through the imperfect state of the roads. Further, the agricultural resources of South Australia were great, and after supplying sufficient for the wants of its own population, a large surplus was obtainable for the use of the neighbouring colonies. While their history presented these features local improvements were being speedily introduced, and not only was steady progress being made in the construction of railways, but there was also a project for bringing the whole group of Australian colonies into closer connection with



each other, by the establishment of telegraphic communication. By this means it was hoped that those singular anomalies shown to exist in the several colonial tariffs might be remedied, and that from the relations thus established mutual measures to facilitate and encourage trade might be introduced. With respect to the prospects of banking, it was not to be denied that great competition existed, which had latterly been increased by some establishments, especially in the department of the exchanges, which no doubt was calculated to diminish in some degree the ratio of former profits. Reverting to the commercial position of these colonies, the depression produced by the crisis of 1854 was certainly severe, but there had since been a steady recovery, and from what could be ascertained there was every reason to believe that business was in a sound and healthy position. (Hear, hear.) In relation to the guarantee fund, it was a subject of deep gratification to the directors to announce that they had completed the investment of the amount agreed upon by a further outlay of £45,000 in colonial securities, in the validity of which they had every confidence. (Hear, hear.) In the course of a few days they expected to be able to announce to the proprietors that they were in possession of the new charter, the terms of which he was happy to say had been arranged to their satisfaction. While on that subject, he (the Chairman) might be permitted to observe, that it was a period of 21 years since the Bank of Australasia was established, and that, notwithstanding it had passed through seasons of adversity, it was in a flourishing position, ably supported by its directors, who appreciated the zealous co-operation of their colonial officers. In conclusion, he had only to remark that the success of management would enable them to continue the dividend and bonus at the present rate of 20 per cent. per annum payable next April, as usual, free of income-tax. (Hear, hear.)

Mr. J. Wilson said, it would be satisfactory if the directors, when they presented the accounts at the annual meeting, detailed the particulars of the investments for the guarantee fund. (Hear.)

The Chairman.—There was no difficulty about that; he would state the items at once:—£87,500 Three per Cent. Consols, £52,500 Bank Stock, and £60,000 Colonial guaranteed securities—making a total of £200,000.

Mr. Wilson—Yes, colonial securities! I want to know what they are? We know consols and bank stock well enough. (Hear, and laughter.)

The Chairman—£15,000 Geelong Six per Cent. Corporation Bonds guaranteed by the Government of Melbourne, and £45,000 New South Wales Five per Cent. Government debentures. (Hear, hear.)

The proprietors expressed satisfaction at this explanation, and it was intimated that it showed confidence to invest a portion of the guarantee fund in these securities.

In answer to questions from Mr. W. H. Stone,

Mr. O. Farrer stated that the directors would be in possession of the new charter before the old one expired, viz., the close of the present year. With regard to liability, it remained precisely the same, the provision stipulating that it should be double the amount of the original share.

Mr. Stone wished further to ascertain when the liability of shareholders terminated.

Some of the directors were understood to say that when the shares were disposed of the liability ceased.

The Secretary stated that immediately a purchaser was accepted as a shareholder by the court of directors the liability of the seller ceased.

Other proprietors put several questions, but the only prominent points were in connection with the forthcoming dividend and the trusteeship of the guarantee fund.



The chairman stated that, with respect to the dividend, it would be paid out of the ascertained profits. With regard to the guarantee fund, the amount was invested in the names of three directors as trustees, and it could not be interfered with, except by a resolution of the whole board.

After some further discussion, the report was unanimously agreed to, and on the motion of Mr. J. Wilson a vote of thanks was passed to the chairman and the directors, after which the meeting separated.

### BANK OF IRELAND.

A GENERAL court of proprietors of bank stock was held on the 12th of December, agreeably to charter; Mr. J. Ennis, governor, in the chair. The Court having been formally opened, the governor made the following report from the Court of directors to the court of proprietors:—

"It is the opinion of the Court that a dividend of  $4\frac{1}{2}$  per cent. be made to the proprietors of bank stock, free of income tax, for the half-year ending the 25th instant. The governor further stated to the proprietors that, after making the dividend now proposed and providing for the payment of income tax, there would remain, according to the estimate, a sum of about £12,000 to be added to the rest fund."

In reply to a question respecting the gross amount of the rest fund, the governor stated that after adding the £12,000, the rest fund would be £1,040,000.

### COMMERCIAL BANK OF LONDON.

A SPECIAL general meeting of the proprietors of this bank was held at their offices, in Lothbury, on the 16th of December, to elect a director in the room of Mr. Edward Oxenford, resigned. Mr. M. Hunter presided, and explained the cause of Mr. Oxenford's resignation to be that his engagements abroad on his own private business prevented his attending to the duties of the direction. Mr. Herbert Taylor, the son of the former chairman of the bank, being duly qualified, offered himself to fill the vacancy.

Mr. Joseph Underwood moved and Mr. H. Barnewall seconded the resolution that Mr. Taylor be elected.

A proprietor remarked that Mr. Oxenford had combined the office of trustee with that of director, and inquired whether Mr. Taylor would do likewise?

The Chairman replied in the negative. It was not usual for a director to be appointed a trustee until he had been tried and found fitted for the office; and in answer to other questions from the same proprietor, he added that Mr. Oxenford had not attended the board meetings for the last twelve months, but part of the time had drawn his salary, he (the chairman) doing the duty for him, so that the bank might not suffer in any way. By the deed of settlement they were required to keep up the minimum number of directors at sixteen, unless a resolution were passed by a general meeting of the shareholders, confirmed by two subsequent meetings, to reduce it.

The resolution appointing Mr. Taylor to fill the vacancy was then put and carried unanimously.

The Chairman said that the object for which the proprietors had been specially called together being now fulfilled, his duty under ordinary circumstances would be to declare the meeting at an end, but he was informed that some gentlemen present wished to put some questions to the directors



as to the state of the bank, in consequence of certain rumours which had been promulgated, and if so, he should be happy to answer them, and afford every explanation that might be required. (Hear.)

Mr. O. E. Teakle had addressed a letter to the manager on the previous day, intimating his intention, in consequence of the rumours alluded to, to put various searching questions to the board in reference to the affairs of the bank. He had put the questions he intended to ask upon paper, and would proceed to read them *seriatim*. His first question was: "It has been reported that the bank has sustained considerable loss by the failure of the firm of Fox and Henderson. Is that correct?"

The Chairman—We have lost nothing by the failure of Fox and Henderson; nor have for a very long period had any acceptances, or bills of any kind of theirs in the house. (Hear, hear.) We are sorry for the misfortunes of Fox and Henderson, but it did so happen that we were warned beforehand not to take their paper, and after that were not likely to do so. What I say can be confirmed, for the balance-sheet of Fox and Henderson's estate is now in the hands of an eminent man in the City of London, and can be seen. (Hear, hear.)

Mr. Teakle—Has the bank within the last six months sustained any special loss?

The Chairman—No, nor for many months previous. (Hear, hear.)

Mr. Teakle—I have heard that you have obtained a loan of £60,000 from Jones Lloyd. Is that true? ("Oh, oh," and laughter.)

The Chairman—If the question is asked seriously, I should be wanting in respect to the honourable proprietor and to the meeting if I did not answer it. I doubt whether Jones Lloyd would have lent us the money if we had asked them; but we never did, and never had occasion to do so. (Cheers.)

Mr. Teakle—Have any advances been made by the bank upon Westminster Bonds, or shares, or stock that is not readily convertible?

The Chairman—Upon the whole, I can safely answer that question in the negative. It is true that we have some Westminster Bonds in the bank, which were deposited with us as a collateral security; but we do not value them at the worth of the paper upon which they are written, and no credit is taken for them in our general statement of assets. (Cheers.)

Mr. Teakle—Are any of the directors or officers debtors to the bank?

The Chairman—Well, I believe there is one unfortunate clerk who owes us £50. He was hard up, and I was induced to lend him the money. ("Hear, hear," and a laugh.)

Mr. Teakle—After the answers you have given, I need scarcely ask the next question I have put down—whether the securities upon which the bank has made advances are good?

The Chairman—Certainly they are.

Mr. Teakle—Who decides upon the applications for advances, and the sufficiency of the securities offered?

The Chairman—The ordinary mode of proceeding is for two directors to attend at the bank every day for that purpose, one of them being a trustee and the other not. The trustee is expected to attend the greater part of the day, that is, from eleven in the morning till about four in the afternoon, and he generally does so. The other, that is the ordinary director, comes in between twelve and two, and consults with the trustee as to all bills and securities that may have been offered, and upon their decision they are accepted or rejected. If it should happen, which can scarcely ever be the case, that either of those two gentlemen are in any way interested in the securities or the matter brought before them, then it is usual to call in



some other director to see that all is right. I should state that, in the ordinary course, every transaction goes to the manager in the first instance.

**Mr. Teakle**—Is any member of the board security for any other person connected with or employed by the bank?

**The Chairman**—No. As a rule the directors are not allowed to be security. Some time ago, when I introduced a person in a subordinate position, I was not permitted to be his security. In reply to other questions, and in reference to a circular that had been addressed to the shareholders from certain proprietors of Jersey, the chairman added, that if it was the wish of the majority of the shareholders to reduce the minimum number of directors, the board would not oppose it; and with regard to Sir Joseph Paxton, who was alluded to in the circular, he was one of the most valuable members of the board, and had rendered them most efficient assistance in promoting the interests of the bank. During the year ending June, 1856, the amount paid to the directors in attendance, fees, and all other allowances, was £2,460.

**Mr. Teakle** suggested that it might be desirable to specify in the annual balance-sheet the nature as well as the amount of the securities held by the bank. ("No, no.") He also thought it would be well to hold their ordinary meetings half-yearly instead of annually.

**The Chairman** did not see any particular advantage that would arise from doing so, but if a majority of the shareholders entertained a strong feeling on the subject the board would not interpose any difficulty. At the same time any shareholder might, if he desired, ascertain at the office what was the amount and the nature of the securities held by the bank at any period. With regard to the ordinary meetings the directors could have no objection to meet the proprietors half-yearly, but as it was provided by the deed of settlement that the meetings should be held annually, it would be necessary to pass a resolution at a special general meeting, to be afterwards confirmed, before the alteration could be effected. It should also be remembered that the accounts were made up annually.

**Mr. Teakle**—What is the aggregate amount of shares held by the directors?

**The Chairman** did not know what effect his answers might have on the minds of the shareholders; but he was prepared at once to say that the present directors held together one-sixth of the whole number of shares, and the four largest shareholders, himself being one, were present. He might add that besides his shares he always kept a very large balance at the bank. (Hear, hear.)

**Mr. Teakle** declared himself perfectly satisfied with the explanation he had elicited, and only wished further to ask generally whether the monetary affairs of the bank were in a perfectly sound state, and whether the books and accounts were open to the inspection of any proprietor who chose to examine them?

**The Chairman**—Decidedly so. I do not believe that even the Bank of England is in a sounder state than we are at this moment. (Cheers.)

**Mr. Manning** remembered that amongst the rumours to the prejudice of the bank which had been circulated it had been said at the West-end that the directors, or rather a gentleman who had gone out of the direction, had done as some of the directors of the Royal British Bank had done, viz., put his hand into the till. ("Oh, oh.") Now it would, he thought, do great good to the establishment if it were to go forth to the world with the very satisfactory statements which had just been made, that not only had the directors not themselves had any advances upon the bank, but that in no case were the funds in the hands of the trustees ever used for any other



than those which were strictly the purposes of the trust. (Hear.) It was with this view that he begged to ask whether Mr. Oxenford was indebted to the bank; and if so, to what extent, and upon what security the money had been lent? (Hear, hear.)

The Chairman—Mr. Oxenford's debt to the bank is about £3,000 but it is amply secured. No loss, as far as I can imagine, can possibly arise from that source.

Mr. Manning—What is the security?

The Chairman—To some extent his shares will be a security, but we have ample security beyond, which I have every reason to believe to be good. However, we hold the shares as an additional security, and shall not allow them to be transferred until the debt is paid. With regard to the directors generally, they had no occasion for advances. He never required such accommodation, and that was also the position of most of the gentlemen around him. There were some amongst them, however, who being connected with trade, occasionally brought ordinary trade bills to be discounted. The whole amount advanced to directors was not more than £20,000, and the security taken was even greater than would be required from any private customer. The clause in the deed of settlement prohibiting advances upon the security of the bank shares was strictly conformed to.

Mr. H. G. Jay—Have your operations been so conducted as to necessitate an application to the Bank of England for advances, as has been rumoured? If not, I should say you conduct the affairs of the bank properly.

The Chairman—I am very glad the question has been put. It is true that amongst the rumours that were so industriously circulated was one that the Bank of England directors, on a particular occasion, sat two hours in consultation upon our affairs. It certainly was very kind of them, if they did so, but we never asked them, nor do we know anything about it. You can, however, if you please, go to the Bank of England, and ascertain that there is not one word of truth in the statement. (Hear, hear.) We have never gone to the Bank of England or to any one else for assistance. (Cheers.) Our business is conducted upon sound banking principles. Of course the money that comes into our hands is not always lying idle in the till. We employ it on profit on good security, without risk, but always holding a reserve within call, equal to one-third of our liabilities. So far from applying to the Bank for assistance, we have always money lying there, and on the very day that I first heard of the report alluded to, I called the attention of the honourable proprietor who mentioned it to me to the bank-book, showing that at that time we had £120,000 in the Bank of England—(hear, hear) and at this moment we have £108,000 there.

A Director—And £110,000 at Gurney's.

The Chairman—Yes; in this way we have our reserve in cash, in money in the funds, and on deposit at Overend's, Alexander's, and Saunders's. A considerable portion of our money being also employed in discounting good bills for our customers, and in making advances on unexceptionable securities.

A Shareholder inquired whether bills or securities upon which advances had been made by the bank had ever been parted with.

The Chairman—Never.

Mr. Brown thought nothing could be more satisfactory than the explanations which had been given, but it would be an additional source of satisfaction to him if the two directors who joined the board in August last, and had, as a matter of course, gone narrowly through the books and accounts, would confirm what the chairman had said.

Mr. E. S. Cayley, M.P., one of the newly-elected directors, said he was



perfectly prepared to respond to the challenge, though he thought Mr. Price's (the other new director's) testimony would be more conclusive, as he, being a thorough man of business, had instituted a regular and most searching audit into the whole of the company's affairs. Mr. Cayley spoke of his former connection with the board, which had been severed by ill-health, the pleasure he felt in being again connected with it, his confidence in Mr. Outbill, the manager, which had been a main inducement for him to return—his satisfaction at the perfectly sound and healthy state in which he found it, and his conviction that the rumours which had been promulgated against it owed their origin entirely to the malice of two or three customers who had been refused accommodation upon the ground that the securities they offered were not approved. It was generally considered that a bank should never have less cash in hand, or within arm's length, than was sufficient to meet one-fourth of its liabilities. When he entered the direction, in August, he found that instead of a reserve of one-fourth they had a reserve of one-third—(hear, hear)—and though the drain consequent upon the rumours adverted to continued three months (he was happy to say it had now stopped), instead of their means being exhausted they had precisely the same amount of cash in their till that they had at the beginning. (Cheers.) As showing the confidence the directors had in the stability of the concern he might mention that their chairman had, since these rumours were afloat, increased his deposit by £30,000, and others had increased the number of their shares. (Hear, hear.) When one gentleman came to him (Mr. C.), and asked, "Is it true that your bank is going to stop?" he answered, "You had better go to the Bank of England or to Gurney's, and ask them." The gentleman did go to Gurney's, and their reply was, "The Commercial Bank is about one of the stiffest concerns in the city." ("Hear, hear," and a laugh.) He was glad they had been exposed to this trial, for, having come so triumphantly out of it, he believed it would quadruple or quintuple their business, and he should not be surprised if they found within the next four years their profits double what they were now. (Cheers.)

Mr. Price said he had, on being elected by the board, gone through the whole of the accounts and securities, and checked every item, and he could assure the meeting that it was impossible for anything to be more satisfactory, or more correct, than the balance which appeared in the last accounts. The bank was in quite as good a position as it was last year, or at any former period.

A Shareholder—What are your prospects in reference to Mare's bankruptcy?

The Chairman—We are in the position of secured creditors. When they wished me to be one of the assignees I objected on that ground, but they wished me to allow my name to stand, as they would require some advances to carry on the contracts, my own opinion being, however, that it would have been better for the creditors had the contracts been abandoned and the estate been realised at once. We have advanced £15,000, of which £10,000 has been repaid, and the other £5,000 is to be paid out of the first proceeds before any dividend is paid to the creditors.

Mr. Olay denounced the rumours against the solvency of the bank as an organised conspiracy, and designated the authors of them as liars and scoundrels. He hoped the directors had the means of tracing out these reports to their originator, and that whoever he might be, a law would be found to make an example of him. (Hear, hear.) He expressed his entire approbation of the statements made by the chairmen and directors, and moved a vote of thanks to, and of unabated confidence in, the board.



Mr. G. Rennie seconded the resolution, which was carried; and in acknowledging it,

The Chairman said not only was the bank able to pay the public, but 24s. in the pound to the shareholders in addition.

A separate vote of thanks to the chairman, and another to Mr. A. R. Outbill, the manager, were afterwards passed, and the meeting then separated.

### LONDON PROVIDENT INSTITUTION.

THE principal City savings bank, the London Provident Institution, Moorfields, exhibits, by a report just prepared, the following satisfactory results of the operations of its official year, terminated on the 20th November. The total of the withdrawals in the year, compound interest included, amounts to £253,453; of the deposits received to £231,921. The number of accounts closed during the year, those of deceased depositors included, has been 5,326; of new accounts opened, 6,082—an excess of 756; and an increase over last year's increase of 418. The comparative increase of capital is £19,594. The year's interest, received direct from Government, and paid direct to depositors or credited to their respective accounts as capital at compound interest, has been £25,422. The number of accounts now open is 48,800. The aggregate amount of the balances due to depositors is £916,911, and the amount of the bank's funded capital, as certified by the Commissioners for the Reduction of the National Debt, is £924,970.

## Communications.

*To the Editor of the "Bankers' Magazine."*

### ISSUE OF £1 NOTES.

DEAR SIR,—I have carefully read your Dublin correspondent's letter on the issue of these most disagreeable instruments of currency—"one pound notes"—and have failed to discover the two essentials, necessity, or advantage, to be derived therefrom. Your correspondent has not shown the banks could not use their circulation because there were no less notes than five pounds. Your valuable magazine shows there was an important increase of the notes of joint-stock and private banks over the month of September to the extent of £376,548. A forced circulation would not be desirable or needed, and, taking the average as compared with last year, the difference is but trifling. Your correspondent states it would free a large amount of coin. How? You can only issue under the restriction of Sir Robert Peel Act, and the returns show some banks wanted more margin, and the whole, both private and joint-stock, advanced, what difference can it be, whether that amount be in £5 or £1 notes as regards the coin. There is one advantage to the issuing banks, that when an English bank sends home a £1 note, it is very frequently paid over as nineteen shillings and sixpence. English country notes not payable in London, are invariably paid over in full. I should certainly desire to see the same license accorded to English banks of additional issue against specie; not that I can agree with your correspondent that the Irish



system affords any relief as to coin, but to save the severe retractions that are used in the months of high circulation, and the inconvenience it occasions; but I cannot see there is any advantage in the specie results, whether the £1 notes are in the pockets of the public, and the corresponding reserve of coin locked up in the bank vaults at head office; as there is no larger amount in circulation, what relief can there be in the Irish over the English system? I quite agree with your correspondent that there should be an extension of authorised issue, and a re-adjustment of the fixed issues of local banks, and if we must have a fixed amount, let it be an average of three months instead of one, which would give the full benefit of the amount by the high and low months of circulation balancing.

Yours, truly,

Stroud,

HENRICUS.

### NEWCASTLE COMMERCIAL BANKING COMPANY.

The following letter from Mr. Davidson, formerly manager of this bank, has appeared in the Newcastle papers:—

*To the Editors of the Newcastle Courant.*

Gentlemen,—As I notice that the affairs of the Newcastle Commercial Bank are again before the public, and that my name has been mentioned in some of the reports in a way to lead parties to suppose, perhaps, that I had been privy to the misapplication of the funds of the bank, I take this opportunity to state that such was not the case. I am quite prepared to show, and will show, when the proper time arrives for making my report to the victimised shareholders, that while my connection with the bank continued, there was no evidence whatever of any misappropriation of its funds. It is indeed clear that I was superseded by the London board (Messrs. Sadleir and Co.) to enable them to carry out their nefarious purposes without let or hindrance. If Mr. Walker, however, had exercised his usual watchfulness, and had been as much alive to the interests of the general body of shareholders as he was to secure his own individual claims, the plot would have been discovered long before the whole £50,000 was abstracted by the Tipperary Bank. I can also establish that during my whole connection with the bank I devoted my best energies to its welfare, and, notwithstanding the many adverse influences with which I had to contend in enforcing sound business views and practices in the conduct of its affairs, I have the satisfaction of knowing that, during my time, its position and prospects had greatly improved, so that, at the time of the ill-judged and most unfortunate transfer to Messrs. Kennedy, Sadleir and Co., its condition was that of a sound and healthy bank, with a respectable and daily increasing business.

I am, gentlemen, your obedient servant,

PETER DAVIDSON.

Bristol, 19th Nov., 1856.

### BANKS AND BANKING.

SIR,—Permit me, as an old subscriber, to tender to you my best thanks for your exceedingly pertinent article in your last number, entitled "Notes on Banks and Banking," and for the very judicious suggestions it offers to the banking community at this particular juncture. I entirely agree with you, "that it is high time that some movement were made by those who



have really been bred as bankers," and the sooner a corporation is formed, such as is therein proposed, the better. The formation of such a corporation might be easily effected, of course making London the centre of its operations. To ensure, in the first instance, a more solid foundation, I would select for members, as you most wisely propose, only those who had for no less a period than twenty years and upwards, uninterruptedly occupied situations in banking houses throughout the kingdom, and during that time had not been engaged in any other occupation. It strikes me most forcibly, that the disasters which have occurred in joint-stock banking establishments have arisen, in many instances, from the boards of directors, as bodies, being ignorant of the science or practice of banking, and that the general managers alone were the only practical men connected with them. This autocratic principle might work well, provided these general managers were endued with a larger share of virtues than we generally meet with in frail humanity. The general manager now is the man, and it is to his interest that all the directors should be under his direction, and know as little about banking as possible. He shows what an admirable manager he is, by setting the salaries of all the officers and clerks under his superintendence at the lowest possible ratio, and acquiescing in the largest possible amount of remuneration to the directors for their services.

I will ask—how have many of the joint-stock banks been set going? Why, a clerk from some Scotch bank goes to London, he gets introduced to two or three Scotch M.P.'s, to one or two retired merchants, and to one or two worn-out military men; a charter is obtained, the bank is started, and in nine cases out of ten the Scotch clerk, now general manager in London, is the only practical man at the board. What is the consequence? All the directors are under his thumb, and, as in the case of the Royal British Bank, are entirely ignorant of the general working of the bank they propose to direct. How, then, can the public expect banking to be well conducted, when men are set over the affairs of the bank who are just as competent to direct its operations as a parcel of landmen are fit to take a ship out to Australia. I would recommend, for the safety of the public, and as a guarantee that their money is employed only in legitimate banking business, that in future one-third of the directors of joint-stock banking companies should be comprised of men who had for no less a period than twenty years and upwards uninterruptedly occupied situations in banking houses throughout the kingdom; and I would suggest that such directors should be selected from the Banker's Corporation, which ought, without delay, to be organised. I apprehend that the joint-stock companies' officers of the country would be generally more willing and ready to join in the movement than old private bankers, and their old and responsible clerks; however, I do trust that both private and joint-stock bankers will unite in one common bond of union, to carry out the views so ably enunciated in your notes on "Banks and Banking" for the month of December.

I am, sir, your most obedient servant,

December 12th, 1856.

JUSTITIA.

#### CHEQUE TO ORDER INDORSED BY PROCURATION.

SIR,—May I request the favour of your informing me whether a procuratorial indorsement would not be held a sufficient indemnity to a banker for paying a cheque drawn to order, and if a want of caution could be imputed to him for doing so without obtaining the drawer's sanction, the



cheque in question having been remitted for payment in the usual course of business by a neighbouring banker?

I remain, sir, your most obedient servant,

22nd November, 1856.

A SUBSCRIBER.

[All persons who take an indorsement by procuration run the risk of the authority being disputed. There ought, therefore, to be an express authority given to pay such an indorsement, unless the course of dealing on former occasions raises an implied authority.]

## Notes of the Month.

**AUSTRALIAN GOLD.**—A blue-book has been issued, containing papers relative to the discovery of gold in Australia. These show that in the quarter ended on the 31st of December, 1855, the gold exported from New South Wales amounted to 3,013 oz. (value £9,792), the gold brought to Sydney to 28,219 oz., the total number of licenses issued to 12,613, and the amount received therefrom to £6,122. The gold exported from this colony in 1855 amounted to 64,384 oz., value £209,250, and in the five years from 1851 to 1855, the quantity exported was 1,818,221 oz., value £5,892,913. The quantity of gold exported from Victoria in the quarter ended the 31st of December, 1855, amounted to 760,910 oz., value £3,038,636, and the estimated net quantity and value of gold exported from the colonies of Victoria and New South Wales from the 29th of May, 1851, to the 30th of September, 1855, amounted respectively to 10,434,744 oz., and £37,947,222. Of the 760,210 oz. exported from Victoria in the last quarter of 1855, 528,637 oz. were shipped for England. The estimated population on the various gold fields of Victoria, on the 25th of August, 1855, amounted to 150,905 souls, including 100,220 men, 22,843 women, and 27,842 children. Of these 22,471 were Chinese. The late governor of the colony, Sir C. Hotham, wrote a despatch to the Colonial office on the 21st of November, 1855, in which he gave a very favourable report of the result of the measures by him recently adopted in connection with the management of the gold fields, but intimated that the great question of the right of gold on purchased land was yet to be solved, and that the solution must be left to the people themselves, now invested, by the new constitution, with the right of self-government.

**THE HAMBURG BANK.**—The decline in the shares of our new banks continues, and both are below par. The North German Bank is quoted at 98½, and the Vereins-Bank at 98. The shares, especially those held abroad, appear to be generally in feeble hands, for every post brings fresh orders to sell, and thence the depression. The reduced prices of the shares of the North German Bank are mainly attributable to the late call. It is understood that the Vereins-Bank contemplates a similar course of proceeding, which will necessarily provoke a further fall in the quotations. It is now beginning to become apparent and much regretted, than when the banks were first announced the immediate payment of the whole amount of the shares was not made an obligatory condition, which might perhaps have prevented them from being sold during the first week at 15 per cent. premium, but it would have had the effect of checking the enormous rush and speculative demand for shares, and given a greater guarantee for the solid foundation of the new institutions. The banks of Coburg and Lubeck were both of them so cautious as to do this, and the result is, that if their shares have not been dealt in so extensively on foreign stock exchanges, their value is not liable to great fluctuations, nor the quotations to be depreciated by forced sales.



**BANK OF ENGLAND UNCLAIMED DIVIDENDS.**—The Bank of England, in concurrence with the Government, have lately adopted an excellent and considerate course with regard to unclaimed dividends. By act of Parliament, all stock on which the dividends remain unclaimed for ten years is transferred to the Commissioners for the Reduction of the National Debt, but in performing this process the Bank now address a communication to the parties interested, acquainting them that their names appear in the Bank books, and if they will take measures to establish any claim they may have, all proper assistance will be afforded them. Formerly books containing the names of every person holding stock on which the dividends had been unclaimed for ten years used to be published at stated intervals, but they offered great facilities for fraud, and after the celebrated Fletcher forgeries they were discontinued. Since that period, some method has been wanting to prevent the State from taking undue advantage of cases of accidental neglect, and the present plan appears in this respect to afford everything that could be desired.

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**JOHN SADLEIR AGAIN.**—In the office of the Master in Chancery, counsel recently applied on behalf of Mr. Thomas Eyre, of Bath, to the Master to receive proof of a bill of exchange for 17,000, dated Nov. 26, 1855, which was drawn by the late John Sadleir, accepted by the manager of the Clonmel branch of the Tipperary Bank, and endorsed by John Sadleir to Mr. Eyre. The Master said that for the present he should only receive the document as exhibited to him. It was a monstrous thing that this bill of exchange should have been accepted by the manager in November, 1855, shortly before the failure of the bank, for so large a sum as £17,000, when he knew perfectly well that John Sadleir at that time owed the bank £200,000 or £250,000. In his opinion he ought to be indicted for fraud.

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**LECTURES ON BANKING.**—The Islington Library and Scientific Society have concluded an engagement with Mr. L. Levi to deliver four lectures on "the History and Principles of Commerce and Banking," to commence on Monday, the 19th of January, and to be continued on the three following Monday evenings. The committee have assigned twenty-five tickets to the General Manager of the London and Westminster Bank, and purpose to send two or more tickets to each of the other leading banking establishments of the metropolis.

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### MERCANTILE SUSPENSIONS.

THE following are the mercantile suspensions of the month, few of which have been of importance:—

Dec.—Kidd and Co., Hull, seed trade.

Kidderminster Bank, Kidderminster, bankers.

R. Johnson, London, warehouseman.

G. Ashworth and Co., Manchester, manufacturers.

J. Little, New York, banker and stock operator.

Henslow and Sons, Boston, bankers and stock operators.

—Dugard, Birmingham, carriage-lamp manufacturer.

T. A. Pervanoglu, London, Greek trade.

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## BANK MOVEMENTS.

The Unity Bank have adopted a resolution not to open any more branches at present. Mr. Benjamin Bower has been added to the Board.

The London Discount Company, which commenced business on the 18th December, is under the superintendence of Mr. A. Kelly, late chief clerk at Messrs. Sanderson, Sandeman and Co., and Mr. G. Brightwen, late clerk with Messrs. Overend, Gurney and Co.

A further dividend of 8*½* in the pound has been declared under the joint estate of Strahan, Paul and Bates, with a further dividend of 2*s.* in the pound under the separate estate of Mr. Strahan, and of 5*½* in the pound under the separate estate of Sir J. D. Paul.

Several of the shareholders of the Royal British Bank have petitioned the Court of Bankruptcy, under the private arrangement clauses, to obtain protection for themselves and property.

The Irish banks continue to carry on a very profitable business, and their shareholders are enjoying the benefit in increased divisions of profits. The Hibernian Bank is now paying 9 per cent., made up by the usual dividend, at the rate of 6 per cent. per annum, with a bonus of 3 per cent. The Provincial Bank of Ireland has announced a half-yearly dividend at the rate of 4 per cent., and also a second bonus for the present year of £1 on each £100 share, and 8*s.* on each £10 share, payable on the 15th January.

Mr. Henry Withers, the sub-manager of the Southwark branch of the London and Westminster Bank, has been appointed manager in the place of Mr. Edward Kingsford, recently deceased. Mr. Withers has been in the London and Westminster Bank above twenty years, and was previously in the bank of Messrs. Barclay and Co.

## MONTHLY CHRONOLOGY.

Dec. 1.—The suspension announced of Messrs. Kidd and Co., of Hull, seed crushers. Their liabilities said to be about £40,000.

1.—Mr. Love elected chairman of the Eastern Counties Railway Company in the room of Mr. Waddington, resigned.

4.—The directors of the Bank of England lower their rate of discount from 7 to 6*½* per cent.

12.—Intelligence received of the capture of Herat by the Persians on the 20th October, and also that war was proclaimed against Persia at Calcutta on the 6th November.

13.—The failure announced of the Kidderminster Old Bank (Messrs. Farley and Co.), with a circulation of about £7,000.

18.—The directors of the Bank of England further reduce their rate of discount from 6*½* to 6 per cent.

20.—Failure of Messrs. Robert Johnson and Co., warehousemen, announced, with liabilities amounting to between £50,000 and £60,000.

20.—Suspension of Messrs. George Ashworth and Co., of Manchester. The liabilities expected to be about £30,000.

24.—The Bank of France relax their discount restrictions, by negotiating bills of 75 days' date.

29.—Failure of Mr. Pervanoglu, Greek trade, with limited liabilities.

29.—Intelligence received of the bombardment of Canton, and removal of the merchants to Hong-Kong.



## Review.

*Commercial Morality.* Smith, Elder, and Co., Cornhill.

AN able pamphlet on the decadence of commercial morality, and the views enforced are those which every fair-dealing trader would desire to see carried out. But the experience of the conduct of the Royal British Bank and the other gigantic frauds recently discovered, show that a radical reformation is required in nearly all branches of mercantile business.

## Monetary Intelligence.

### REVIEW OF THE MONEY MARKET FOR THE MONTH OF DECEMBER, 1856.

THE Month of December is one of general inactivity, and had it not been for the excitement occasioned by the late money pressure, there would have been little passing in any quarter. The expectation, however, that the Bank directors would be in a position to reduce the rate of discount has created greater animation; and, although the change from 7 to 6 per cent. has been effected by progressive movements, it has been productive of a very beneficial influence. Occurring at even this advanced period, the public have acquired greater confidence, and the year closes with business in a healthy, if not a flourishing condition. The late arrivals of American and Australian gold have more than supplied the Continental demand, but upwards of £500,000 specie has been withdrawn from the Bank to meet the requirements of the run in Ireland upon the National and the Provincial Banks. As the announcement of the "Red Jacket" at Liverpool from Port Phillip leads to the conclusion that the stock of bullion in the Bank vaults will be again re-inforced, this temporary abstraction need occasion little apprehension. Foreign political relations are, however, not in a most satisfactory condition, and the bombardment of Canton may lead to protracted difficulties with China. The demand for money is good at a fraction below the Bank of England rate, but it principally arises from the desire of merchants and others to be provided for the liquidation of engagements falling due at the termination of the year.

Although the extreme fluctuations in English securities during the past month has been about  $1\frac{1}{2}$  per cent., the opening and closing quotations exhibit not the slightest difference. The market has been affected by a variety of rumours which have assisted to produce unsteadiness in prices. After heaviness, occasioned by the sales of speculators, the reduction of the rate of discount by the Bank directors caused increased purchases. There was then temporary buoyancy, and quotations again ascended. A check once more occurred, through the aspect of the Swiss question, and the run for specie on the Irish banks. Increased steadiness was subsequently apparent, with a partial recovery in prices; and Consols, having from  $95\frac{1}{2}$  descended to  $93\frac{1}{2}$ , leave off at  $94\frac{1}{2}$ . Exchequer bills from 9s. premium have declined to 2s. discount, large sales having taken place to meet the demand for bullion on the other side of the Irish Channel.

Foreign securities have undergone some alteration, but the market has been steady towards the close, with an increased business. Prices are, however, not now quite so good as at the commencement of the month, the reaction which at one period occurred not having been wholly recovered. A



Spanish loan of £3,000,000 has been taken by French contractors, but it is thought great difficulty will be experienced in obtaining subscriptions in London. Turkish, Russian, and Spanish were principally dealt, these descriptions having attracted the most speculative attention. Venezuela have also advanced, owing to the adoption by the bondholders of new proposals for a settlement of the debt.

Railway shares have fluctuated with other securities, and close at nearly the best quotations. The market, however, was in the most favourable condition in the middle of the month, when the buoyancy first created by the reduction in the rate of discount became visible.

The following are the fluctuations in the English and Foreign Stocks, and Railway Shares, during the month just concluded.

				Price on Nov. 28.	Highest.	Lowest.	Price on Dec. 27.
<b>ENGLISH FUNDS.</b>							
Consols	...	...	...	94½ to 94½	95½	93½	94½ to ½
Exchequer bills' average	...	...	...	{ 2s. p. to 5s. p. }	9s. pm.	2s. dis.	{ 1s. di to 3s. pm. }
<b>FOREIGN STOCKS.</b>							
Brazilian	...	...	...	—	100½	99½	100
Chilian	...	...	...	105	105	103	104
Dutch, 2½ per cent.	...	...	...	65½	66	65	65
Mexican	...	...	...	22½	22½	21½	21½
Peruvian, 4½ per cent.	...	...	...	77	78	76½	77½
Russian	...	...	...	—	108	106½	106½
Spanish	...	...	...	—	43½	42	42½
Turkish, 6 per cent.	...	...	...	95½	96½	94½	95½
Ditto, 4 per cent. New scrip....	...	...	...	101½	103½	101	103½
<b>RAILWAY SHARES.</b>							
Brighton	...	...	...	109	112½	108½	112½
Caledonian	...	...	...	58½	63½	57½	63½
Eastern Counties	...	...	...	9½	9½	9½	9½
Great Northern	...	...	...	91½	92	88	91
Great Western	...	...	...	69	70½	68	69½
Lancashire and Yorkshire...	...	...	...	96	97½	94½	97½
London and North Western	...	...	...	104½	106½	103½	105½
Midland	...	...	...	81½	83	80½	82½
South Eastern	...	...	...	72½	74½	72½	73½
South Western	...	...	...	107	108½	106½	107
York, Newcastle, and Berwick	...	...	...	85	86½	83	83½
York and North Midland	...	...	...	60½	62	59½	59½
East Indian...	...	...	...	113½	115	112½	115
Northern of France	...	...	...	37½	39½	37½	37½

### THE GRAIN TRADE.

THE progress of agricultural operations appears to be regarded as highly satisfactory. A more auspicious seed time was scarcely ever remembered, and the wheat plant in most localities is healthy and vigorous. A larger breadth than usual has been sown, so that, if favourable weather be experienced, the result cannot fail to be encouraging. Influenced by this state of things and the increase of arrivals, especially from abroad, the price of



grain of all descriptions has suffered a re-action, and the later transactions have been at a decline of from 2s. to 4s. per quarter for wheat, and 1s. to 3s. for barley and oats. Quotations at the last market in Mark-lane showed a further tendency to decline.

The *Gazette* returns for England and Wales have been:—

THE ABOVE TABLE FOR ENGLAND AND WALES HAVE BEEN.										
Week ending 1856.		Wheat.	Weekly		Six Weeks'		Duty.		Corresponding	
		Qrs. sold.	Average.		Average.				Six Weeks' Last Year.	
			s.	d.	s.	d.	s.	d.	s.	d.
Nov.	22 .....	97,973	...	63 8	...	65 2	...	1 0	...	67 6
"	29 .....	109,106	...	61 11	...	64 6	...	1 0	...	70 3
Dec.	6 .....	99,673	...	60 11	...	63 7	...	1 0	...	72 4
"	13 .....	107,808	...	60 1	...	62 8	...	1 0	...	73 0
"	20 .....	108,645	...	60 5	...	61 10	...	1 0	...	73 1

The importations since the harvest of 1856 have been:—

	Wheat Qrs.	Other Grain Qrs.	Total Qrs.
Seventeen weeks ended 12th Nov. ....	1,830,675	1,126,321	2,956,996
Five weeks ended 17th Dec. ....	558,631	391,106	949,737
	<u>2,389,306</u>	<u>1,517,427</u>	<u>3,906,733</u>

And the *weekly averages* have been:—

Seventeen weeks ended 12th Nov. ....	108,000	66,000	174,000
Five weeks ended 17th Dec. ....	111,000	78,000	189,000
	<u>More</u>	<u>3,000</u>	<u>12,000</u>
			<u>15,000</u>

### THE STATE OF TRADE.

OPERATIONS in the manufacturing districts have been rather restricted, owing to the arrangements for concluding the accounts of the year. Business on a moderate scale has been transacted, and prices, in some cases, have exhibited increased firmness. The prospects of the spring are considered favourable, particularly in the export departments connected with Australia and America, the orders lately received having proved remunerative.

### NOTICES TO CORRESPONDENTS.

We have nearly brought up all arrears. Editorial communications should, in future, be addressed to the Editor of the *Bankers' Magazine*, 8, Birchin Lane, Cornhill, although orders for the publication, remittances, &c., are still to be forwarded to Messrs. Groombridge and Sons, Paternoster Row. Correspondents will please remember that letters, to ensure punctual attention, must be forwarded by the 20th of the month.

J. W. W.—There are several works, but the one you refer to is the best, if it can be obtained. The reason why reprints are not more frequently made is that books of this description do not sell very quickly.

OCTOGENARIAN is thanked. Many of our correspondents have received the hint from us privately.

B. M. C.—Generally believed to be sound and safe. The names rank as first class.

S. S. (Denbigh)—The suggestion shall have proper consideration.

G. H. and T. W.—Grant's work, just published, contains the latest cases, and the process respecting bankruptcy is fully explained. A review of this volume is postponed. The other book, *Fortune's Epitome of the Funds*, will afford the necessary information with regard to the various descriptions of public securities. There is no safer investment than Government stock, if the parties are satisfied with the rate of interest.



	26	27	28	29	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Bank. Stock, div 4½ p.c. 4 year	217	215	217	216	216	216	215	216	217	217	216	216	217	218	217	218	217	218	218	218	217	217	217	217	217	217	217	217	217	217
3 per Ct. Red. Ann.	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92
3 per Ct. Consols Ann.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto ex. div. for opening	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
New 3 per cent. Anna.	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
New 2½ per cent.	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79
5 per cent.	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116	116
Long Anna. Jan. 5, 1856	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
Ditto 30 years, Oct. 10, 1859	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
Ditto 30 years, Jan. 5, 1856	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225
India Stock (div. 104 percent.)	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225
Do. Bonds £1000 (div. 5 p.c.)	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225
Ditto, under £500	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225	225
Bank Stock for ac. 8th Jan.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
3 P. Ct. Cons. for ac. 4th Dec.	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Ditto for account 8th Jan.	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Ex. Bills £500, 24d. per item	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Ditto. Small do.	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Ditto. Small do.	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Ditto Bonds A 1858 3 p.c.	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99
Ditto under £1000	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99
Ditto B 1859	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99
Ditto under £1000	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99

CHRISTMAS DAY.

JOINT-STOCK BANKS.

	London	Latest Prices
Australia	£40 0 p.c.	£40 0 p.c.
British North American	50	50
Bank of London	100	100
Commercial of London	100	100
Colonial	100	100
City Bank	100	100
London and Westminster	100	100
London Joint Stock	100	100
Oriental Bank	100	100
Provincial of Ireland	100	100
National Bank	100	100
National Provincial of England	100	100
South Australian	100	100
Union of Australia	100	100
Union of London	100	100
London and County	100	100
London Chartered of Australia	100	100
Bank of India, China, & Australia	100	100
Bank of Egypt	100	100
Ottoman Bank	100	100

FOREIGN STOCKS (29th December.)

Brazilian Bonds, 5 per Cent.	101
Chilian Bonds, 6 per Cent.	104
Danish 5 per Cent.	102
Mexican 3 per Cent.	102
Peruvian 4 1/2 per Cent.	77
Portuguese Bonds, 4 per Cent.	35
Russian Bonds, 1822, 5 per Cent. in £ Ster.	100
Ditto, 4 1/2 per Cent.	96
Spanish Bonds 3 per Cent.	43
Ditto, 3 per Cent. Deferred	34
Turkish 6 per Cent.	98
(Dividends on the above payable in London.)	
Dutch 2 1/2 per Cent.	64
Ditto 4 per Cent. Loan	96
French 4 1/2 per Cent., at Paris, Dec. 27, 91f. 45c.	
Ditto 3 per Cent., ditto	66f. 75c.

RAILWAY SHARES.

COMPANY.	Paid up	Prices Dec. 26.	Prices Nov. 27.
Caledonian	100	84	84
Eastern Counties	100	94	94
Great Northern	100	91	91
London and Blackwall	100	69	69
London and Brighton	100	111	111
North-West	100	105	105
Midland	100	107	107
South-Eastern	100	83	83
York, Newcastle, & Berwick	100	73	73
York & North Midland	100	84	84
	100	61	61

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

## ISSUE DEPARTMENT.

	1856. Nov. 22nd.	1856. Nov. 29th.	1856. Dec. 6th.	1856. Dec. 13th.	1856. Dec. 20th.
Notes issued.....	£ 32,761,825	£ 24,269,980	£ 24,246,520	£ 24,525,995	£ 24,276,930
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	3,459,900	3,459,900	3,459,900	3,459,900	3,459,900
Gold coin and bullion .....	9,285,023	9,794,930	9,871,520	10,050,995	9,301,030
Silver bullion .....	—	—	—	—	—
	32,761,023	24,269,980	24,246,520	24,525,995	24,276,930

## BANKING DEPARTMENT.

	1856. Nov. 22nd.	1856. Nov. 29th.	1856. Dec. 6th.	1856. Dec. 13th.	1856. Dec. 20th.
Proprietors' capital.....	14,553,000	14,553,000	14,553,000	14,553,000	14,553,000
Reserve .....	3,263,671	3,205,524	3,215,736	3,226,07	3,240,390
Public deposits (including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts) .....	5,106,631	5,469,087	5,679,799	6,200,625	6,891,949
Other deposits .....	9,738,456	9,890,517	9,267,193	9,042,832	9,493,096
Seven day and other bills .....	885,122	644,955	660,002	611,191	822,242
	33,516,979	33,394,268	33,796,640	33,934,311	35,000,674
Government securities (including Dead Weight Annuities) .....	10,454,867	10,454,867	10,454,867	10,454,867	10,454,861
Other securities .....	18,332,446	17,337,749	17,389,713	16,638,736	17,644,460
Notes .....	4,318,055	4,785,180	5,151,380	5,823,185	5,863,999
Gold and silver coin .....	611,611	616,467	614,678	641,531	611,928
	33,516,979	33,394,268	33,796,640	33,934,311	35,000,674

## The Exchanges.

	Nov. 14th.	Nov. 21st.	Nov. 28th.	Dec. 5th.	Dec. 12th.
Amsterdam, short ..	11 15	11 15	11 14½	11 14	11 14
Ditto 3 months..	11 18	11 17½	11 17½	11 17½	11 17½
Rotterdam, ditto ..	11 18	11 17½	11 17½	11 17½	11 17½
Antwerp, ditto ..	25 35	25 35	25 33½	25 33½	25 33½
Brussels, ditto .....	25 35	25 35	25 32	25 32½	25 35
Hamburg, ditto.....	13 7½	13 7½	13 7½	13 7½	13 7½
Paris, short .....	25 25	25 25	25 25	25 25	25 26
Paris, 3 months .....	25 6½	25 65	25 65	25 65	25 67½
Marseilles, ditto ....	25 67½	25 67½	25 67½	25 67½	25 70
Frankfort, ditto ....	119½	119½	119½	119½	119½
Vienna, ditto.....	10 46	10 44	10 42	10 42	10 41
Trieste, ditto.....	10 48	10 45	10 43	10 43	10 43
Petersburgh, ditto ..	37½	37½	37½	37½	37½
Madrid, ditto .....	48½	48½	48½	48½	49
Cadix, ditto .....	48½	49	48½	49	49
Leghorn, ditto .....	29 85	29 80	29 80	29 75	29 72½
Genoa, ditto .....	25 85	25 85	25 87½	25 85	25 80
Naples, ditto.....	43½	43½	43	43½	42½
Palermo, ditto .....	130	130	130	130	130½
Messina, ditto .....	130½	130½	130½	130½	130½
Lisbon, ditto .....	51½	51½	51½	51½	51½
Oporto, ditto .....	52	51½	51½	51½	51½
Rio Janeiro 60 dys. 'dte	—	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars .. (Standard) .....	£ 0 0 0	£ 0 0 0	£ 3 17 9	£ 0 0 0	£ 3 17 9
Mexican Dollars .....	0 0 0	0 0 0	0 5 2	0 0 0	0 5 1
Silver in Bars (Stand.)..	0 5 2½	0 0 0	0 5 2½	0 0 0	0 5 1½



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTES.

## PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Nov. 1.	Nov. 2.	Nov. 15.	Nov. 28.
1 Andover Bank .....	£ 17,751	£ 12,932	£ 13,627	£ 12,507	£ 12,970
2 Ashford Bank .....	11,849	11,185	13,277	12,122	9,922
3 Aylsham Bank .....	5,854	4,509			
4 Aylesbury Old Bank .....	48,461	32,272	32,829	32,595	33,099
5 Baldock and Biggleswade Bank ...	37,223	32,366	33,631	32,879	33,386
6 Barnstaple Bank .....	17,182	10,965	10,514	10,254	9,663
7 Basingstoke and Odiham Bank ...	24,730	22,693	21,443	21,125	20,242
8 Bedford Bank .....	34,218	30,746	32,511	32,713	32,734
9 Bewdley Bank .....	18,597	11,528	11,546	11,474	10,823
10 Bicester and Oxfordshire Bank ...	27,090	15,738	14,983	14,960	14,735
11 Birmingham Bank—Attwoods & Co.	23,695	25,673	22,943	22,062	22,595
12 Birmingham and Warwickshire Bk.	18,132	9,045	9,998	9,752	8,719
13 Blandford Bank .....	9,723	6,040	6,094	6,908	6,759
14 Boston Bank—Garfit and Co. ....	75,069	70,519	68,657	69,804	72,250
15 Boston Bank—Gee and Co. ....	15,161	15,182	14,892	14,659	14,744
16 Bridgewater Bank .....	10,028	7,442	7,546	7,454	7,260
17 Bristol Bank .....	48,277	35,158	33,823	33,986	33,277
18 Broseley and Bridgenorth Bank ...	26,717	19,139	19,628	18,549	17,834
19 Buckingham Bank .....	29,557	23,519	23,033	23,647	22,576
20 Bury and Suffolk Bank .....	82,362	76,120	73,254	71,905	69,098
21 Banbury Bank .....	43,457	37,262	36,235	35,950	37,420
22 Banbury Old Bank .....	55,153	29,900	28,226	28,720	30,378
23 Bedfordshire Leighton Buzzard Bk.	36,829	36,961	36,194	35,589	35,740
24 Birmingham Bk.—Lloyds & Co. ...	38,816	30,770	29,799	28,903	27,072
25 Bedford Old Bank .....	12,676	12,660	12,123	11,656	11,379
26 Brecon Old Bank .....	68,271	64,645	63,011	62,742	63,938
27 Brighton Union Bank .....	33,794	20,468	20,097	19,412	18,521
28 Burlington and Driffield Bank .....	12,745	12,481	12,594	12,563	12,553
29 Bury St. Edmund's Bank .....	3,201	2,924	3,025	3,045	2,918
30 Cambridge Bk.—Mortlock & Co.	25,744	14,674	14,948	16,042	15,539
31 Cambridge and Cambridgeshire Bk.	49,916	48,428	49,772	48,964	47,453
32 Canterbury Bank .....	33,671	25,909	28,604	30,097	30,187
33 Carmarthen Bank .....	23,597	23,750	23,859	23,642	22,532
34 Chertsey Bank .....	3,436	2,623	2,545	2,670	2,624
35 Colchester Bank .....	25,082	18,336	17,905	18,029	17,695
36 Colchester and Essex Bank .....	48,704	38,315	36,410	35,450	35,707
37 Cornish Bank—Tweedy & Co. ...	49,869	47,768	47,146	45,102	45,102
38 Coventry Bank .....	12,045	8,336	7,618	7,545	7,670
39 City Bank, Exeter .....	21,527	21,231	21,342	20,899	19,789
40 Craven Bank—Alcock & Co. ...	77,154	72,861	75,253	74,251	74,111
41 Chepstow Old Bank .....	9,387	9,384	9,383	9,377	9,049
42 Derby Bank—Messrs. Evans .....	13,332	10,051	10,002	10,003	9,827
43 Derby Bank—Smith and Co. ....	41,304	42,072	40,828	39,281	37,700
44 Derby Old Bank .....	27,237	26,965	27,201	26,853	26,597
45 Devizes and Wiltshire Bank .....	20,674	9,930	9,735	9,470	9,324
46 Diss Bank .....	10,657	10,022	10,330	10,132	10,342
47 Doncaster Bank and Rotherford Bank	77,400	72,284	73,087	73,921	77,735
48 Darlington Bank .....	86,218	83,274	84,999	85,859	85,403
49 Devonport Bank .....	10,664	9,547	9,315	9,095	9,453
50 Dorchester Old Bank .....	48,807	48,246	47,966	48,977	47,980
51 East Cornwall Bk.—Robins & Co.	112,280	94,994	94,863	94,919	95,336
52 East Riding Bank—Bower & Co.	53,392	52,561	54,090	52,365	50,143
53 Essex Bk. & Bishops Stortford Bk.	69,637	47,321	46,158	45,909	44,869
54 Exeter Bank .....	37,894	27,481	27,552	26,974	26,246
55 Faringdon Bk. & Bk. of Wantage	8,977	7,690	7,637	7,400	7,786
56 Farnham Bank .....	12,102	12,348	12,479	13,115	13,521
57 Faversham Bank .....	6,681	6,067	5,805	5,730	5,420



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Nov. 1.	Nov. 8.	Nov. 15.	Nov. 22.
	£	£	£	£	£
58 Godalming Bank.....	6,322	4,732	4,603	4,535	4,534
59 Guildford Bank .....	14,524	13,445	13,260	13,185	13,464
60 Grantham Bank—Hardy and Co.	30,372	30,028	29,743	30,138	29,621
61 Hastings Old Bank .....	38,038	31,020	30,919	31,324	30,841
62 Hereford City and County Bank..	22,364	20,301	18,841	17,889	17,273
63 Hull & Kingston-upon-Hull Bank	19,979	18,720	20,131	20,573	19,929
64 Huntingdon Town & County Bank	56,591	52,064	53,842	54,525	53,632
65 Harwich Bank .....	5,778	5,185	5,252	5,233	5,325
66 Hertfordshire, Hitchin Bank .....	38,764	31,133	31,885	31,527	30,836
67 Hereford, Ross, & Archenfield Bk.	27,625	24,404	24,384	23,479	21,864
68 Ipswich Bank .....	21,901	21,038	21,497	21,285	21,627
69 Ipswich & Needham Market Bank	80,699	68,985	67,041	66,589	65,848
70 Kentish Bank—Mercer & Co. ...	19,895	17,960	17,559	18,205	17,648
71 Kingston and Radnorshire Bank...	26,050	26,028	25,956	25,962	25,873
72 Knaresborough Old Bank .....	21,825	21,610	21,459	21,478	21,576
73 Kendal Bank .....	44,663	43,889	45,366	45,144	42,989
74 Kettering Bank .....	9,192	9,552	8,839	8,534	8,642
75 Lane End Staffordshire Bank ...	5,624	5,223	5,259	5,348	5,395
76 Leeds Bank .....	53,357	52,276	52,435	52,745	52,466
77 Leeds Union Bank .....	37,459	36,950	36,694	37,280	38,066
78 Leicester Bank.....	34,322	31,636	31,028	32,452	30,139
79 Lewes Old Bank .....	44,836	29,055	28,988	30,010	29,145
80 Lincoln Bank .....	100,342	94,150	93,223	92,130	92,918
81 Llandovery Bank & Llandilo Bank	32,945	32,209	31,739	32,348	31,543
82 Loughborough Bank .....	7,359	7,213	7,273	7,540	7,227
83 Lynton Bank.....	5,038	3,359	3,599	3,592	3,417
84 Lynn Regis and Lincolnshire Bank	42,817	40,231	40,894	39,442	39,362
85 Lynn Regis and Norfolk Bank ...	13,917	13,640	13,330	13,757	13,536
86 Macclesfield Bank .....	15,760	15,324	14,924	14,655	14,700
87 Manningtree Bank .....	7,692	3,078	2,995	2,728	2,641
88 Merionethshire Bank .....	10,906	10,361	9,710	9,848	9,032
89 Miners' Bank .....	18,688	17,207	17,764	17,725	17,186
90 Monmouthshire Agricultural and Commercial Bank .....	29,335	27,830	28,112	26,682	26,054
91 Monmouth Old Bank .....	16,385	15,117	16,929	16,354	15,604
92 Newark Bank .....	28,788	26,796	27,398	26,473	26,932
93 Newark and Sleaford Bank .....	51,615	51,671	51,293	50,550	51,955
94 Newbury Bank.....	36,787	19,793	19,404	20,305	20,343
95 Newmarket Bank.....	23,098	22,122	22,227	23,068	22,423
96 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	47,069	48,200	48,205	47,531
97 Norwich and Norfolk Bank .....	99,665	90,900	96,999	94,806	95,115
98 Nottingham, Nottinghamshire ...	10,866	11,078	9,953	10,793	10,810
99 Nuneaton Bank .....	5,898	3,150	3,284	3,209	3,166
100 Naval Bank, Plymouth .....	27,321	19,719	19,003	19,159	19,188
101 New Sarum Bk.—Everett & Smith	15,659	9,694	9,159	8,559	8,226
102 Nottingham Bank .....	31,047	32,374	32,305	30,610	28,539
103 Oswestry Bank .....	18,471	11,011	11,419	12,097	12,243
104 Oxford Old Bank.....	34,391	34,899	32,680	32,495	31,601
105 Old Bank, Tonbridge .....	13,183	11,321	11,916	12,087	11,098
106 Oxfordshire Witney Bank .....	11,852	10,937	11,360	11,045	11,085
107 Pease's Old Bank, Hull .....	48,807	48,030	47,879	47,901	47,640
108 Penzance Bank .....	11,405	10,955	10,836	10,222	11,043
109 Peterborough Bank—Yorke & Co.	12,545	11,615	10,580	10,458	10,095
110 Pembrokehire Bank .....	12,910	12,323	12,399	12,563	12,494
111 Reading Bank—Simmonds & Co.	37,519	32,489	32,190	30,624	30,559
112 Reading Bk.—Stephens & Blandy	43,271	29,752	29,662	28,849	29,350
113 Richmond Bank, Richmond .....	6,889	6,221	6,595	6,505	6,855
114 Rochdale Bank .....	5,590	4,583	4,403	4,391	4,341
115 Rochester, Chatham, & Strood Bk.	10,480	8,263	7,961	7,645	7,639
116 Royston Bank .....	16,393	15,410	14,490	14,316	13,742



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Nov. 1.	Nov. 2.	Nov. 18.	Nov. 28.
	£	£	£	£	£
117 Rugby Bank.....	17,250	9,429	8,313	7,901	8,320
118 Rye Bank.....	29,864	15,977	15,868	15,515	15,110
119 Ross Old Bank, Herefordshire ...	4,420	3,761	3,259	3,828	4,503
120 Saffron Walden & North Essex Bk.	47,646	27,940	29,073	29,646	31,683
121 Salop Bank .....	22,338	15,194	15,396	15,742	14,739
122 Scarborough Old Bank .....	24,813	24,710	24,677	24,740	24,585
123 Shrewsbury Old Bank.....	43,191	39,708	39,797	41,789	39,404
124 Sittingbourne and Milton Bank...	4,789	3,718	2,731	2,750	2,835
125 Southampton Town & County Bk.	18,589	11,600	11,457	11,087	11,255
126 Southwell Bank .....	14,744	14,491	14,272	14,226	14,135
127 Southampton and Hampshire Bk.	6,770	3,280	3,358	3,070	3,010
128 Stone Bank .....	9,154	340	340	340	340
129 Stafford Old Bank .....	14,166	12,690	11,912	10,768	10,997
130 Stamford and Rutland Bank .....	31,858	30,825	31,044	33,575	31,092
131 Shrewsbury and Welsh Pool Bank	25,336	24,749	24,459	24,119	25,128
132 Taunton Bank .....	29,799	27,613	27,583	26,818	26,022
133 Tavistock Bank .....	13,421	9,576	10,415	10,575	9,895
134 Thornbury Bank.....	10,026	7,994	8,224	8,731	8,637
135 Tiverton and Devonshire Bank...	13,470	10,874	10,820	10,435	10,255
136 Thrapstone and Kettering Bank...	11,559	11,355	11,497	10,749	11,080
137 Tring Bank and Chesham Bank..	13,531	12,975	12,995	12,436	12,426
138 Towcester Old Bank .....	10,801	7,586	7,544	7,253	7,180
139 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	11,692	11,413	11,182	10,732
140 Union Bank, Cornwall .....	17,003	16,736	16,825	15,403	14,362
141 Uxbridge Old Bank .....	25,136	13,131	13,454	13,477	13,094
142 Wallingford Bank .....	17,064	7,845	7,753	8,145	8,271
143 Warwick and Warwickshire Bank	30,504	26,782	26,554	25,998	25,607
144 Wellington Bank, Somerset .....	6,528	4,681	3,918	3,633	3,362
145 West Riding Bank .....	46,158	44,440	45,820	45,021	46,131
146 Whitby Old Bank .....	14,258	13,467	13,424	13,895	14,714
147 Winchester, Alresford & Alton Bk.	25,892	20,841	19,456	19,472	18,802
148 Weymouth Old Bank .....	16,461	15,526	15,549	15,382	15,252
149 Wirksworth and Derbyshire Bk.	37,602	35,920	36,766	36,782	36,262
150 Wisbeach and Lincolnshire Bank	59,713	59,555	59,080	59,145	57,792
151 Wiveliscombe Bank.....	7,602	7,104	7,275	7,353	6,835
152 Wolverhampton Bk.—Goodricke	14,180	13,034	12,742	11,721	11,440
153 Worcester Bank .....	15,463	5,598	5,624	5,671	5,225
154 Worcester Old Bank .....	87,448	70,849	68,872	66,765	63,654
155 Worcestershire Bank .....	14,309	7,823	7,772	7,272	6,589
156 Wolverham. Bk.—R. & W. Fryer	11,867	11,555	11,344	11,104	11,463
157 Yarmouth and Suffolk Bank .....	53,060	49,540	48,305	47,535	46,082
158 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,580	12,747	12,923	12,678
159 York Bank .....	46,387	46,095	43,873	43,848	44,397

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	8,745	9,365	9,563	9,260
2 Barnsley Banking Company .....	9,563	9,355	9,219	9,275	9,497
3 Bradford Banking Company .....	49,292	45,633	47,710	50,064	50,968
4 Elston District Banking Company	9,418	8,744	8,272	8,815	4,720
5 Bank of Whitehaven.....	32,681	30,010	31,079	31,690	31,411
6 Bradford Commercial Banking Co.	20,084	19,735	19,249	19,115	19,290
7 Barton, Uttoxeter, and Staffordshire Union Bank .....	60,701	51,980	52,441	52,270	49,134



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Nov. 1.	Nov. 2.	Nov. 15.	Nov. 22.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	10,520	10,691	10,075	9,840
9 Cumberland Union Banking Co....	35,395	36,387	36,008	33,440	33,928
10 Coventry and Warwickshire Bk. Co.	28,734	25,420	24,620	22,133	22,425
11 Coventry Union Banking Company	16,251	15,109	14,315	14,519	14,430
12 County of Gloucester Banking Co.	144,352	119,719	119,675	117,534	115,161
13 Carlisle & Cumberland Banking Co.	25,610	24,550	24,426	26,618	26,453
14 Carlisle City and District Bank ...	19,972	19,978	20,131	19,959	18,670
15 Dudley & West Bromwich Bk. Co.	37,646	34,826	36,705	38,768	38,253
16 Derby and Derbyshire Banking Co.	20,093	19,939	19,901	19,719	19,835
17 Darlington Dist. Joint Stock Bk. Co.	26,134	24,848	24,627	24,332	24,443
18 East of England Bank .....	25,025	24,071	24,990	24,114	24,609
19 Gloucestershire Banking Company	155,920	147,814	147,612	149,872	151,683
20 Halifax Joint Stock Bank.....	18,534	18,461	18,093	18,004	17,815
21 Huddersfield Banking Company...	37,354	36,680	34,162	36,155	36,373
22 Hull Banking Company .....	29,333	29,480	29,775	29,055	28,315
23 Halifax Commercial Banking Co..	13,733	13,321	13,723	13,659	13,117
24 Halifax & Huddersfield Union Bk.	44,137	42,661	41,535	42,320	41,777
25 Helston Banking Company .....	1,503	1,437	1,455	1,476	1,440
26 Herefordshire Banking Company..	25,047	26,499	26,140	25,740	20,106
27 Knarborough and Claro Bk. Co.	28,059	27,159	27,890	27,841	28,770
28 Kingsbridge Joint Stock Bank ....	3,952	3,638	3,623	3,280	3,689
29 Lancaster Banking Company .....	64,311	61,055	62,138	60,553	61,083
30 Leeds Banking Company .....	23,076	21,497	23,215	22,730	24,426
31 Leicestershire Banking Company...	86,060	81,113	78,805	77,642	76,265
32 Lincoln and Lindsey Banking Co..	51,620	47,406	48,057	49,455	52,166
33 Leamington Priors and Warwick- shire Bank .....	13,875	10,130	11,276	11,411	10,496
34 Ludlow and Tenbury Bank .....	10,215	9,667	10,079	10,044	9,250
35 Moore & Robinson's Notts. Bank...	35,813	37,636	34,464	33,007	33,795
36 Nottingham and Notts. Banking Co.	29,477	24,605	25,710	28,361	28,469
37 National Provincial Bk. of England	442,371	426,192	424,867	427,315	431,261
38 North Wilts Banking Company ...	63,939	47,970	45,365	44,556	44,882
39 Northamptonshire Union Bank ....	84,356	82,190	83,740	82,628	79,881
40 Northamptonshire Banking Co. ...	26,401	23,455	22,868	24,259	22,702
41 North and South Wales Bank.....	63,951	62,510	61,513	62,370	62,317
42 Pare's Leicestershire Banking Co..	59,300	54,133	53,856	54,460	54,168
43 Saddleworth Banking Company ...	8,122	2,224	2,380	2,206	2,152
44 Sheffield Banking Company.....	35,843	34,625	36,975	34,790	35,158
45 Stamford, Spalding & Boston Bk. Co.	55,721	47,423	52,799	54,725	52,901
46 Stuckey's Banking Company .....	356,976	353,350	357,900	349,019	346,510
47 Shropshire Banking Company.....	47,951	42,544	47,840	45,683	45,003
48 Stourbridge and Kidderminster Bk.	56,830	56,081	56,908	56,723	56,010
49 Sheffield and Hallamshire Bank ...	23,524	24,293	23,179	23,064	21,741
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,407	51,184	51,924	53,663
51 Swaledale and Wensleydale Bank..	54,372	51,174	51,971	52,722	53,479
52 Wolverhampton & Staffordsh. Bk..	35,378	29,419	32,217	33,449	34,953
53 Wakefield and Barnsley Union Bk.	14,604	14,070	14,062	13,917	14,179
54 Whitehaven Joint Stock Bank ...	31,916	28,348	29,202	30,744	30,540
55 Warwick and Leamington Bk. Co.	37,124	28,108	29,096	28,560	28,567
56 West of England and South Wales District Bank .....	83,535	72,622	75,371	73,265	73,393
57 Wilts & Dorset Banking Company	76,162	72,310	72,945	73,959	72,080
58 West Riding Union Banking Co....	34,029	31,075	32,440	32,888	32,823
59 Whitechurch and Ellesmere Bk. Co.	7,475	6,155	6,058	5,253	5,285
60 Worcester City and County Bk. Co.	6,848	6,515	6,611	6,224	6,126
61 York Union Banking Company ...	71,240	68,104	68,519	68,099	63,096
62 York City and County Banking Co.	94,695	94,276	93,211	93,665	92,547
63 Yorkshire Banking Company .....	122,532	114,429	120,614	126,347	123,712



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	Nov. 1.	Nov. 8.	Nov. 15.	Nov. 22.
159 Private Banks.....	£4,518,946	£3,892,677	£3,875,010	£3,849,013	£3,807,186
63 Joint-Stock Banks..	3,303,357	3,095,835	3,124,827	3,124,392	3,110,491
222 Totals .....	7,822,303	6,988,512	6,999,837	6,973,405	6,917,677

**Average Weekly Circulation of these Banks for the month ending November 22nd:—**

Private Banks .....	£3,225,971
Joint-Stock Banks .....	3,113,686

**Average Weekly Circulation of Private and Joint-Stock Banks ending as above: £6,339,657**

On a comparison of the above with the Returns for the month ending 25th October last, it shows:—

A decrease in the notes of Private Banks, of .....	£83,089
A decrease in the notes of Joint-Stock Banks, of .....	41,930

**Total decrease on the month..... £124,309**

And, as compared with the month ending November 24th, 1855, it shows—

A decrease in the notes of Private Banks, of .....	£125,920
A decrease in the notes of Joint-Stock Banks, of .....	6,617

**Total decrease, as compared with the same period of last year .....** £132,536

The following is the comparative state of the circulation, as regards the fixed issues—

The Private Banks are below their fixed issues.....	£662,975
The Joint-Stock Banks are below their fixed issues.....	189,471

**Total below the fixed issues..... £852,446**

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 22nd day of November, 1856.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	2,133,800	1,425,400	3,559,200	730,672
Provincial Bank of Ireland	927,667	452,111	696,966	1,149,078	437,519
Belfast Bank .....	281,611	93,625	429,434	523,059	325,780
Northern Bank .....	243,440	45,477	269,467	314,945	119,150
Ulster Bank .....	311,079	73,578	446,851	520,430	265,007
National Bank of Ireland...	761,757	609,187	657,565	1,266,752	660,106
Carriek-on-Suir Nat. Bank	24,084	14,587	14,223	28,811	9,422
Clonmel National Bank ...	66,428	32,521	30,943	63,465	15,458
<b>TOTALS (Irish Banks) ...</b>	<b>6,354,494</b>	<b>3,454,886</b>	<b>3,970,849</b>	<b>7,425,740</b>	<b>2,563,114</b>

### SCOTCH BANKS.

Bank of Scotland .....	300,485	144,248	288,499	432,747	197,360
Royal Bank of Scotland ...	183,000	87,300	161,835	249,135	86,646
British Linen Company .....	438,024	189,756	331,247	521,003	139,938
Commercial Bk. of Scotland	374,880	166,333	346,226	512,559	216,623
National Bank of Scotland..	297,024	121,801	242,086	363,887	105,571
Union Bank of Scotland and Banking Com. in Aberdeen	415,690	188,414	373,935	562,349	187,448
Edinburgh & Glasgow Bk...	136,657	75,612	101,592	177,204	63,156
Aberdeen Town and Co. Bk.	70,133	45,497	82,895	128,392	61,009
North of Scotland Bk. Co...	154,319	107,115	119,697	226,812	78,756
Dundee Banking Company	33,451	16,505	31,750	48,255	15,495
Eastern Bank of Scotland...	33,636	18,334	29,635	47,969	15,887
Western Bank of Scotland..	337,938	129,681	364,476	494,157	200,862
Clydesdale Banking Co. ...	104,028	50,067	116,039	166,107	81,523
City of Glasgow Bank .....	72,921	138,626	176,387	315,013	267,371
Caledonian Banking Co. ...	53,434	26,810	47,030	73,840	31,866
Perth Banking Company ...	38,656	21,922	38,184	60,106	33,151
Central Bank of Scotland...	42,933	23,891	41,275	65,167	31,693
<b>TOTALS (Scotch Banks)...</b>	<b>3,087,209</b>	<b>1,551,912</b>	<b>2,892,788</b>	<b>4,444,702</b>	<b>1,814,355</b>



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO NOVEMBER 22, 1856.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 22nd November, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks .. £7,425,740  
Average Circulation of the Scotch Banks 4,444,703

Total Average Circulation of these Banks  
for the past month ..... £11,870,443

On comparing these amounts with the Returns for the month ending 25th October last, they show—

Increase in the Circulation of Irish Banks £183,783  
Increase in the Circulation of Scotch Banks 235,623

Total increase on the month ..... £409,406

And, as compared with the month ending November 25th, 1855, they show—

Increase in the Circulation of Irish Banks £461,365  
Decrease in the Circulation of Scotch Banks 103,295

Total increase on the year ..... £358,070

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows :—

8 Banks in Ireland, allowed to issue ... £6,354,494  
18 Banks in Scotland, allowed to issue .. 2,067,309

26 Banks in all, allowed to issue ..... £8,421,803

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are above their fixed issue .. £1,071,246  
Scotch Banks are above their fixed issue 1,357,493

Total above the fixed issue ..... £2,428,739

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows :—

Gold and Silver held by the Irish Banks £2,563,114  
Gold and Silver held by the Scotch Banks 1,814,335

Total of Gold and Silver Coin ..... £4,377,469

Being an increase of £208,545 on the part of the Irish Banks, and an increase of £128,795 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO NOVEMBER 22, 1856.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 22nd November, 1856 :—

Circulation of Notes for the Month ending 22nd November, as compared with the previous month :—

	Oct. 25.	Nov. 22.	Increase.	Decrease.
Bank of England .....	£20,774,309	£20,062,041	—	£712,268
Private Banks .....	3,939,060	3,655,971	—	283,089
Joint-Stock Banks .....	3,155,106	3,113,886	—	41,220
Total in England .....	27,868,475	27,031,898	—	836,577
Scotland .....	4,319,079	4,444,703	125,623	—
Ireland .....	7,241,957	7,425,740	183,783	—
United Kingdom .....	£39,329,511	£38,902,340	£409,406	£836,577

The comparison of the month ending November 24th, 1855, with the month ending November 22nd, 1856, shows an *increase* in the Bank of England circulation of £478,772, a *decrease* in Private Banks of £125,939, and a *decrease* in Joint-Stock Banks of £6,617; being a total *increase* in England of £346,216; while in Scotland there is a *decrease* of £103,295; and in Ireland an *increase* of £461,365. Thus showing that the month ending 22nd November, as compared with the same period last year, presents an *increase* of £346,216 in *England*, and an *increase* of £904,286 in the *United Kingdom*.

The return of Bullion in the Bank of England, for the month ending November 22nd, gives an aggregate amount in both departments of £9,669,570. On a comparison of this with the Return for the month ending October 25th, there appears to be a *decrease* of £411,030; and a *decrease* of £1,569,738 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 22nd November, was £4,377,469; being an *increase* of £337,340 as compared with the return of the previous month, and an *increase* of £161,765 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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FEBRUARY, 1857.

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## THE PROGRESS of 1856.

IN a financial retrospect presented last month, a rapid survey was taken of the progress of the past year. The transition from war to peace, and the extraordinary revelations which have occurred in financial and commercial circles, were curtly alluded to, as illustrating the remarkable nature of the events which had during that period influenced banking and other operations. Disastrous as some of the circumstances were, others were noticeable which showed a steady development of trade, accompanied as it was by adverse contingencies. Prepared as that statement was before the usual summaries of our daily contemporaries appeared, no opportunity was afforded of any reference to the opinions of these authorities, and it is therefore now satisfactory to see, that they agree in every respect with the views then enunciated; meanwhile, also, the business circulars of the year have been published, and notwithstanding sudden fluctuations have been witnessed in all departments, there has generally been great prosperity. This is vouched on the authority of the most important firms, but it is unnecessary to go into particular instances to prove the fact. The commencement of the present year is, on the whole, encouraging, and although the money market is not in as favourable a position as could be wished, the general pressure has somewhat diminished. It is, however, by no means certain that a return to ease will shortly be accomplished, and many believe that a high average of discounts will be maintained throughout the next two or three months. The exceptional condition of affairs on the Continent remains a cause of partial anxiety.

As usual, we give the subjoined extracts from the *Times*, the *Morning Chronicle*, and *Daily News*.



*The Times*, referring to the course of events, thus remarks :—

The commercial course of 1856 has realised almost precisely the anticipations entertained of it. At the commencement of the year the prospect of peace was entirely uncertain, but the public had already learnt that, under a sound currency system, financial derangement was not among the inevitable evils of war, and that, accordingly, whatever might be the course of politics, the trade of the country would continue to expand. The chief anxiety was with regard to the inflation that might occur should hostilities suddenly terminate. It was known that financiers and adventurers of all kinds had passed the two years of strife in preparing a multitude of continental schemes, and that there even existed a small political party whose eagerness for peace on any terms arose from impatience to secure the profits of these proceedings. The guarantee system on the part of foreign governments had yet to receive its full development, and the speculative mania in France, scarcely curbed by the necessities of the state, appeared destined, on the slightest withdrawal of pressure, to assume uncontrollable proportions. Finally, it was predicted that, while every great improvement at home would be delayed by endless obstructions, we should most likely be called upon to send millions of our capital to Russia to extend her cities, reconstruct her fortifications, and furnish her with military roads. The correctness of these views has been demonstrated. Within a few months of the signing of the treaty of peace about 100 companies, chiefly for foreign purposes, with an aggregate capital of £25,000,000, were presented, while preliminary arrangements were understood to have been completed for others that would have doubled or trebled the amount. The Russian demand for 40 millions, which is to be adroitly introduced in such proportions as the credulity of investors may from time to time render practicable, was likewise initiated, and, although the rising folly was checked by timely warning, coupled with the consequences of the failure of the European silk crop, it still attained a magnitude that has been attended by heavy penalties. Meanwhile, however, the gains of regular commerce and the rates of interest fairly obtained by capitalists have been beyond all precedent. Looking at the extent of business transacted, there have also been fewer failures than at any former date. Even those that have occurred have been in nearly every case unconnected with real mercantile casualties, and although the peculiar taint of the time has been such as is manifested in the instance of the Royal British Bank, and in the offences of that numerous class of gamblers of whom Sadleir, Redpath, and Robson may be regarded as types, there never was a period when the rewards of honest industry were more certain.

For the year which now opens the prospect is conflicting. Notwithstanding the nominal peace of Europe, political confidence is wholly wanting, while at the same time the long continuance of high rates in all the principal money-markets has disheartened every speculator. It is, however, the speculator only that is unable to see his way. The legitimate merchant and manufacturer has acquired such confidence from past experience that he dreads nothing but the disturbance to trade that would result from the spirit of gambling being again let loose. It may be questioned if the country was ever so rich as at the present moment, and it is certain that the general profits of commerce and agriculture, taking every branch of occupation into account, are beyond any former example. These profits have encouraged all classes of producers, notwithstanding the high rates of discount, to keep up at least to an ordinary average their stocks of raw material, and they are consequently safe from every contingency.



It will be said, if trade is thus prosperous, the speculator cannot have long to wait before his field of operation will again be extensive. The immense transactions now going on under every circumstance of advantage must, it may be urged, result in an accumulation of gain, and a consequent plethora in our money market will be followed by another of those periods in which the public, with a few millions to spare, will employ the whole in the shape of deposits upon commitments to ten times its amount. Assuming the absence of any accidents to delay the process, it must be admitted this conclusion is inevitable. While our profits are now larger and more rapid than ever, we are at the same time unusually free from any immediate drain upon them. A heavy proportion of the sums subscribed for Indian, Canadian, and United States railways before the commencement of the war has already been disbursed, and many of the principal schemes brought forward in the summer of the present year have subsequently remained in abeyance. There is, therefore, no press of depletion going on, and hence, as far as our domestic position is concerned, a renewal of war or a bad harvest—the two points to which every financial estimate is made conditional—forms, apparently, the only possibility that may interfere with the anticipated expansion.

But there are external conditions to exercise a disturbing influence. The high rate of money during the past few months has been caused, not by home but by foreign competition, and there is no assurance that this will permanently diminish. The question whether the disease which destroyed the silk crop last season will re-appear cannot yet be decided. Should it continue, and France sustain another loss of £3,000,000 or £4,000,000 sterling, a further demand for capital will be felt in that country, which will cause extreme terms to be offered for whatever we can spare. Austria likewise must continue, either by direct loans or by fresh sales of national property, to procure an additional £2,000,000 or £3,000,000 of gold and silver before she can venture to resume specie payments. Even if these contingencies were absent, there would still be reason to expect the continental biddings for money to be incessant. It is plain that the late revulsion on the Paris Bourse has operated, not to cure, but merely to check the speculative mania. The temporary obstruction indeed, has only intensified the greed of schemers of all ranks, and, instead of being accepted as a lesson, it has served to sharpen the clamours for such stimulants as the creation of new credit establishments and an increase in the capital of the Bank of France. As the existing pressure was not sufficient to prevent a loan of £3,000,000 being eagerly offered to Spain, there is little difficulty in conjecturing the movements to be looked for the moment that pressure shall be lightened. It will be strange if Russia fails where Spain succeeds; and although, notwithstanding the influence of English capitalists willing to identify themselves with her attempt, and her artifices which will be employed to assist it on the London Stock-Exchange, it may be hoped our people will retain sufficient sanity to reject it; the scheme could not become current in Paris and the German cities without indirectly increasing the applications to us for assistance. Altogether, therefore, the prospect is that the continental requirements will be maintained at a point too tempting to leave much chance of a rage being got up in this country for new and independent investments. While the rates for carrying on transactions from month to month in French rentes, railway shares, and obligations range from 8 to 12 per cent., there will be only very moderate amounts at the service of projectors on this side.

Our neighbours, for the first time in modern history, have taken the start of us in speculation, and, consequently, in our immediate outpourings of



capital: we are likely to act rather as accessories than as principals. This position, perhaps, will be the least perilous, although, when the final crash comes, our share in it will not be insignificant.

Among other points that will claim the attention of financiers during the year, although their probable bearings are less capable of being distinctly estimated, are the necessity for loans in India which will be created by the Persian war, the solution of the Chinese dispute, the efforts that may be made by Turkey to restore her currency, and the confusion that will still be kept up in Europe from the constant and inevitable advance in the price of silver. We have also to anticipate, through the Atlantic telegraph, a revolution in our mode of conducting monetary transactions with the United States. A similar achievement *vis-à-vis* the Persian Gulf and the Euphrates is, perhaps, not distant in the case of India. Whether these will tend to economise the use of capital in the enormous transactions between us, which involve annually a value of about £60,000,000, is among the most interesting problems of the period. The working of the new mail contract with Australia will be another feature of the year. As regards home discussions on commerce and finance, the prosperous revenue promised by the state of trade will probably render it difficult for the Chancellor of the Exchequer to maintain his existing scale of taxation, notwithstanding the reductions about to come into operation on tea, sugar, and coffee. Upon the Currency Act of 1844, no serious conflict need be apprehended.

Eighteen hundred and fifty-seven commences, consequently, with numerous signs that it will be a year of animation, but without any extraordinary change being in view to prompt a strong anticipation of the circumstances by which it will be most distinguished. It is commonly at such periods that events of the greatest singularity occur. If, however, the twelve months should, in a commercial sense, bring forth no strange result of a positive description, they will, at least, supposing them to pass over without any access of wild inflation, be remarkable for a negative one, since it will be the first time in the present generation that a lapse of more than ten years has occurred without symptoms being discernible of the approach of a new reign of recklessness and delusion.

The *Morning Chronicle* thus alludes to the progress of 1856 :—

The events of the year 1856, now brought to a close, will form an important page in the history of Europe. It comprises the termination of a war, honourable to England and the Allied Powers, and suggestive to Russia. It was commenced on the part of England and France with the magnanimous desire to preserve the balance of power in Europe; and although it has been attended with severe pressure upon every material interest of the country, no one can have desired that, under the circumstances, it had never been undertaken. The losses and inconvenience it entailed upon the nation have been borne with exemplary patience and goodwill. Although war is thus seen to be an evil of a most serious kind, it is also felt to be a preservative of peace. It is to be regretted that the year does not also close in peace. Unfortunately it terminates with the declaration of war against Persia. It is to be hoped, however, that the Shah will, before the war has proceeded too far, consent to refer the arbitration of the question to the mediation of a friendly power. With regard to the numerous political questions now agitating Europe we have nothing whatever to do, and shall, therefore, proceed upon the consideration of matters more immediately concerning the monetary, the commercial, and the industrial interests of the United Kingdom. The announcement early in January that Russia had unconditionally accepted the ultimatum sub-



mitted to her consideration, and the subsequent declaration of hostilities having ceased, necessarily created at the time a sensible relief to public feeling. Trade immediately became released from a depressing influence, and a general improvement took place, which gradually extended. The relief would have been much greater had monetary affairs been more settled and satisfactory, but financial difficulties in France and throughout the Continent proved an insuperable bar to the more active influence of peace. Not only did the pressure for money cripple all local advancement, but also materially checked the progress of affairs here. In France a run for gold prevailed for many months, and drew from this country not only all the arrivals of gold as they came to hand, but also encroached very considerably upon the stock of bullion in the Bank of England. This curtailed the note circulation of that establishment, and consequently its power to give accommodation on commercial bills. Traders therefore had to contend with dear money. It is only at the close of the year that the upward tendency has ceased. The tide has, during the last month of the year, shown some indication of returning ease, but we do not anticipate that the further fall in the value of money will be very rapid.

With these preliminary remarks we now proceed to sketch the actual progress of the year. And first, with regard to trade, nothing has more conclusively shown the naturally sound state of the country than the fact that, notwithstanding a pressure for money and high rates of interest, there have been comparatively few failures and none of any great moment. Commercial credit has been free from suspicion; bills have been met with unusual punctuality; and, in fact, the trade of the country has never been in a sounder state. The business done has been singularly great, the amount of mercantile and trade bills discounted having been enormous, and of a *bona fide* business character. This fact is confirmed by the manner in which bills have been met. To many persons this has been, and still is, a mystery; but it admits of a ready solution. The consumptive powers of the country are very large, and increase year by year in proportion to the augmentations in the population and prosperity of the people. Prices of everything, besides money, have been steadily going up, and the profits realised have more than sufficed to pay for the extra dearness of money. Consequently, whilst borrowed capital has demanded higher rates than usual, its employment has been attended with unusual profits, and credit has been firmly maintained. Importers of produce and manufactures have alike done a large and remunerative business. Were it not so, the close of the year would be attended with very different results than are now on record. Shipowners during the period of the war, and for some time afterwards, realised an unusually good return for their capital, but latterly times have been rather adverse to their interests. There are now, however, signs of an improvement. The Board of Trade returns published monthly have shown that in both the import and export trade there has been an increase, and the latter proves particularly satisfactory. The agricultural interests of the country have been attended with most satisfactory results. The year has proved most prosperous. Produce of every kind has met with a ready and a profitable sale, and there is every promise of continued prosperity. The labouring population throughout the country have been actively employed on good wages. If the criminal calendar has shown any increase, it has not arisen from the want of employment or decrease in wages. The trades of London have had no reason to complain either of a want of legitimate work, though some, such as that of builders, may not have resumed the activity prevailing previous to the war with Russia.

The worst feature of the year to notice is the prevalence of frauds of



gigantic proportions. The wholesale forgeries and frauds of the Sadleirs form an indelible blot on the fair surface of the year. Those of Robson and Redpath, although individually large, sink into insignificance beside those of the former. With regard to Leopold Redpath, his career is that of an unmitigated rogue and a specious hypocrite. He appears to have made a compromise between his unprincipled rascality and his religious professions, by giving a few hundreds out of the many thousands of pounds he appropriated. His frauds are rendered the more notorious by the extraordinary incredulity and supineness on the part of the directors of the Great Northern Railway in not instituting an inquiry into the cause of their paying more in dividends than they were required to do by the *bond fide* amount of their capital. The year would scarcely have been complete in incident if there had been no sinister rumours of some kind or other to damage credit. Accordingly we find that invidious rumours, by maliciously disposed persons, have not been wanting to make up the cycle of events. For a period of nearly three months have no less than four, and one bank in particular, been subjected to the dastardly attacks of false rumours. The results of the meeting of proprietors of the Commercial Bank of London have been made public within the last few days. We do not remember ever to have heard a more clear, candid, and satisfactory refutation of charges than was given at this meeting. The proprietors were more than satisfied. Instead of the bank being unsound, it was the safer for the ordeal it had so successfully passed through; and the director, chairman, and manager richly deserved the vote of confidence and thanks so gracefully tendered by the proprietors. The business of the bank, it may here be observed, is conducted with more than ordinary care and judgment. The great increase in the trade of London has not unnaturally brought into existence several new joint-stock banks. The extension of our relations with France, Turkey, and Egypt has also been attended with the formation of similar undertakings in connection with the trade of each of those countries. The business of the Ottoman Bank and of the Bank of Egypt is a highly profitable one, and requires only to be more publicly known to place the shares of each company at a premium corresponding with those of the other banks. It is certainly inconsistent with a knowledge of the valuable field of operations they occupy, and the relative position of the shares of some of the other newly formed banks, that they should be at even the smallest discount. They must, however, eventually take a better position in the market, as they intrinsically merit.

The position of the money market has been one of undiminished interest throughout the year. The rates of discount have ruled very high, but they are now declining, and are already one per cent. lower than they have been. It is a remarkable illustration of the progress of the age, that with a most severe pressure for money, and high charges for accommodation, no serious feeling of distrust or uneasiness has prevailed in commercial circles. Traders, although necessarily kept in a state of some degree of anxiety, have exhibited a combination of those elements which prove the best safeguard against bankruptcy. The movements of the precious metals have been a continuous source of some anxiety, but it is unnecessary to re-enter upon the subject, having at various periods during the course of the year traced their progress, operation, and influence on various occasions. The arrivals from Australia and America have been considerable, but they have gone out again just as fast as they came to hand. This fact affords direct, positive proof of the correctness of our assertions during the last year or two, namely, that we should not, from a variety of causes, be able to retain the precious metals so abundantly received from the mines of Australia



and California. It is to be regretted that there is no means of ascertaining anything like a correct return of the actual imports and exports of gold and silver. This is the more difficult with regard to the exports, a considerable amount being sent through private hands, far in excess of the imports brought by the same means. This much, however, is certain, that we have exported more than we have received.

The laws relating to the currency of the country have been subjected to an animated discussion upon their merits. We shall not, however, enlarge upon the subject here, but reserve our remarks for another occasion, yet we cannot but observe the extraordinary inconsistency of the advocates for the retention of these laws. When circumstances conspired to test their efficacy to the utmost, and they proved radically insufficient to meet all contingencies, their supporters condemned any attempt to investigate their bearing, and opposed the desire for a Parliamentary inquiry as to their efficiency or inefficiency. But since circumstances have constrained an entire change of effects, the advocates for their continuance are now as eager for an inquiry. In the first instance they opposed the inquiry because they knew they would meet with a signal defeat, and they now press on the motion in the hope that the termination of the causes which tried the strength and developed the weakness of the laws, can be considered as unquestionable proofs of their perfection—an instance of sophistry which we scarcely expected.

The rates of discount during the year have been from 7 down to  $4\frac{1}{2}$ , and up again to 7 per cent. They have recently been lowered; the present minimum of the Bank of England is 6 per cent. The financial operations of the Government during the year have comprised loans to the extent of £10,000,000, and a funding of Exchequer bills to the extent of £3,000,000, making in all a total of £13,000,000, added to the consolidated debt. The course of business in the English funds during the year has been of considerable importance, the fluctuations in the value of Consols, which form an unerring barometer of the influence of passing events, having been great and constant. Early in the year they stood at  $85\frac{1}{2}$ , and on the peace with Russia having been announced, they, in the space of about three weeks, went up to  $91\frac{1}{2}$ , being a rise of 6 per cent. They have, after a variety of variations, been  $95\frac{1}{2}$ , and are now about  $94\frac{1}{2}$ . In the market for the foreign securities the improvement in prices, occasioned by the cessation of hostilities with Russia, has been still greater. The rise in the leading stocks has varied from 8 to 20 per cent., but it is needless to enter into minute details. Suffice it that the market has become firm, and no undue depression or inflation of price prevails. The great speculative security for the year has been Turkish Six per Cents., which, from below 80, have touched nearly 97, and now stand at  $95\frac{1}{2}$ . One of the most important features, however, to notice with regard to this market, is the fact that the various South American States have almost simultaneously made overtures to their English creditors for a re-arrangement of their foreign debts upon a more satisfactory basis, and in some instances a definitive settlement has been agreed upon, whilst others are still in course of negotiation. In railway shares there has been, as usual, a large amount of business transacted with constant variation in prices. The extreme fluctuation has been about from £2 to £10. The railway interest now forms one of the most influential and important of the country. It represents an amount of capital approaching £800,000,000 actually expended in the construction of the various lines, and their working. It might naturally be expected that so large a capital would be very efficiently administered to, but the many



instances of frauds and forgeries committed on the shares and stocks supply evidence of a laxity of system which ought not to exist.

There have been several bank failures during the year, but the only one of notoriety has been that of the Royal British Bank. This project was originally brought forward with a view to occupy a source of banking business not previously represented; but it ultimately became the source from whence the officials drew uncontrolled credit for their own personal operations. By the most adroit manœuvring, an effort has been made to throw the whole affair into such complication as may suffice to screen them from further publicity. One of the most important questions, however, has been tried and solved by the failure of the concern, by which it is being wound up under Bankruptcy instead of through Ohancery. This, therefore, forms a precedent for any future occasion, should such unhappily occur.

The summary of the *Daily News* deals with the incidents of the year in the following manner:—

In a commercial, as in a political point of view, the year now drawn to a close has presented many remarkable features. This might be expected from the mere fact that it opened with war and closes in peace. Considering that, at the commencement of the year, the engagements of the mercantile community were generally based upon the assumption that the war would continue, it might have been reasonably apprehended that the sudden announcement of the submission of Russia would lead to embarrassment in many branches of trade. It is highly creditable to the sagacity and caution of our merchants, that the transition from war to peace has been so safely accomplished. When January opened, the facts exciting the immediate attention of the public were the fall of Kars, and an attempt on the part of Russia to obtain subscribers at Berlin, and on the other continental markets, to a new five per cent. loan for eight millions sterling, which was offered at an extremely low price. The indications in every quarter tended to confirm the general belief that Great Britain had still an arduous struggle before her. Yet, by the middle of the month, the aspect of affairs was strikingly changed. It was on the 17th January that news was received by telegraph of the unconditional acceptance by Russia of the terms of peace presented through the intervention of Austria. The peace conferences, it is true, were not formally opened at Paris until the 25th of February, and the treaty of peace was not actually signed until the 30th of March; nevertheless, the mere announcement of Russia's acceptance of the basis of negotiation sufficed to permanently alter the entire appearance of mercantile affairs. Within two or three weeks after the receipt of the news, the English funds, and the majority of other home and foreign securities, had risen about five or six per cent. Since that early period of the year trade has met with numerous checks and impediments, political and financial, yet the aspect of mercantile affairs has ever been confident. In February, the stoppage of the Tipperary Joint-Stock Bank, followed quickly by the suicide of John Sadleir, and by the discovery of the gigantic frauds committed by him gave a severe shock to the public mind. In June, much unnecessary alarm was excited with reference to our relations with America. In September, upon the very eve of a monetary pressure, the public were startled by news of the suspension of the Royal British Bank,—an event which was followed by disclosures of the most disgraceful character, seriously compromising the management of that institution. During October and November, the monetary system of the country was subjected to severe trial, owing to a drain of bullion resulting from a species of panic which extended nearly all over the Continent. Under



this influence, coupled with an unprecedentedly active drain of silver to the East, the value of money was raised in this market to seven per cent. ; and the Bank of England adopted measures of severity, such as have not been witnessed since the disastrous year 1847. This brief recapitulation of adverse facts will suffice to prove that the year has been one of considerable trial, requiring incessant watchfulness from all persons actively engaged in commercial or monetary operations. In proportion to the extent of the difficulties successfully surmounted, should be our appreciation of the steadiness with which the national commerce has extended and prospered. One scarcely knows which to view with the greater satisfaction—the quiet determination with which the country was preparing for a continuance of the war, or the soberness of spirit with which—the war having suddenly terminated—it addressed itself to the more congenial pursuits of peace. Had equal caution been displayed abroad, much of the pressure witnessed this autumn would have been averted. Throughout the Continent, however, the advent of peace was the signal for speculative excesses. France had been surprised by war at a period when her whole system of credit was perilously extended; yet, even at the time when her struggle with Russia demanded the exertion of her utmost strength, the Government imprudently permitted the contraction of liabilities utterly disproportionate to the means of the money-market. The opinion is extensively entertained that, but for the unexpected conclusion of peace, France would have been subjected to a financial convulsion of the gravest character. Nevertheless, the return of peace found the nation, instead of taking warning by the past, more devoted than ever to speculative pursuits; and, after a transient buoyancy, the result was the involvement of the country in a monetary crisis, leading to a general apprehension that the Bank of France would be compelled to suspend cash payments. Fortunately, by very careful and skilful management on the part of the financial authorities, this extreme measure was averted; but the slow and painful way in which French credit, severely shaken and generally depreciated in the estimation of Europe, is now emerging from the late pressure, proves how deeply seated were the defects of the financial system. At the same time it is but fair to remember, that the greater portion of the Continent was affected to an almost equal extent by the speculative fever. In Germany the mania was chiefly for new banks, which arose rapidly as mushrooms in nearly all the leading seats of trade, including Hamburg, Vienna, Berlin, Breslau, Königsberg, Bremen, Lubeck, Frankfort, Hanover, Magdeburg, Stettin, Leipzig, Rostock, and even in such petty markets as Gora, Meiningen, Dessau, and Gotha. According to a very moderate estimate, the new joint-stock banks and credit societies hastily started in Germany, Switzerland, Spain, and Sardinia, represented an aggregate nominal capital of upwards of sixty millions sterling, the whole of which it was proposed to call up within three or four years. This amount is entirely irrespective of the enormous mass of capital demanded for new railways, and other projects. In face of this reckless speculation, coupled with the disturbance occasioned throughout Europe by the immense withdrawals of silver for the East, surprise cannot be felt at the rise in the rates of discount to 6 or 8 per cent. on the Continent during the autumn, or at the extent to which the pressure has re-acted upon our market. The development of commerce and of the railway and telegraphic systems is rapidly rendering even distant markets keenly susceptible of reciprocal influence. The time is approaching when, apart from very exceptional circumstances, money will no longer range at extraordinary high rates in some places, and at a disproportionately low value in others. Practically, there will soon be but one money-market throughout Europe, so



facile will be the flow of capital between the various cities, provided that no international obstacles are interposed. It is gratifying to find that a similar change is in progress as regards the markets for merchandise and all kinds of produce. Corn, as an article of primary necessity, will probably be freed from the pernicious influence of restrictive customs laws; but, until the glorious principle of universal free trade—a principle which we, in England, are gradually learning to act upon—shall be universally adopted, philanthropists and lovers of peace need never be at a loss for a field of exertion promising results of the noblest and most beneficial character.

As surely tending to promote the attainment of this grand desideratum, we always watch with great interest the advance of joint-stock enterprise, provided it be kept under judicious regulation. The benefits conferred upon the world by means of associated capital are, indeed, immense. How wondrous is the system of intercommunication established amongst nearly all the civilised nations of the earth by means of railways and lines of steamboats, working with a degree of regularity and celerity which, only a few years back, would have been thought an impossibility! Look again at the degree of excellence to which the joint-stock banking system has been carried throughout Europe and America, and at the magnitude of the facilities thus afforded to legitimate trade. It is not necessary to dwell upon the extent to which the principle of combination is now being applied to the wants of every-day life. Every man, by merely paying common attention to what is passing around him, will perceive, without difficulty, that the greatest triumphs of this huge lever of progress have yet to come. Short-sighted persons point to the great share frauds which have lately startled the public of this country, France, and America, and hastily deduce the inference that all share property, as being subject to uncertainty and peril, will henceforward suffer in the estimation of investors. It is far more probable that these events—though fraught with misfortune to a limited class—will ultimately produce much good, since they will lead to the suggestion and adoption of new safeguards against similar abuses. There is cause for real congratulation in the fact that the year now closing has, at least, been distinguished by the removal of a portion of the legislative obstacles hitherto so injudiciously opposed to the combination of many individual capitals for one common object. The progress already made in Parliament in this matter must be accepted as a cheering omen—as a sign that the rest of the disabilities from which the small moneyed public still suffer will ere long be abolished, and that the justice of the broad, natural principle of allowing each man to embark a certain defined amount of capital in a joint-stock or partnership undertaking, without further liability, will be finally and authoritatively recognised. Without these facilities, there is reason to fear that Great Britain might be outstripped in the race of nations; with them, there is no limit to the commercial and financial advantages to which the enterprising yet well-schooled genius of our people may aspire. The principle of united capital represents a giant power, compared with which the brute force of the mightiest monarchs sinks into insignificance. Contrast the works which were executed painfully with the labour of years, by the kings and nations of former times, with the immense undertakings which are now carried through with celerity and success by some of our great public companies, a large portion of whose capital is probably drawn from the savings of thrifty tradesmen. For our own part, we regard with equal interest and pleasure the movements of modern enterprise. The feeling of pleasure certainly preponderates when we notice how very moderate a degree of favour is extended to projects of a



merely speculative character. Glancing over the list of new undertakings which have been definitively established during the year, it is satisfactory to notice that nearly all of them seem to aim at useful objects, and to possess a well-considered basis.

As regards new banks, we have the Western Bank of London, the General Bank of Switzerland, the Bank of Egypt, and the Ottoman Bank. As tending to open up undeveloped fields of commerce, the progress of these two latter institutions is watched with great interest. Owing to their embarking in a class of business akin to banking, we may notice here the establishment of the National Discount, and London Discount Companies, the latter of which has only just commenced operations. With honest and careful management, we see no reason whatever why discount business should not be successfully carried on by companies, as well as by private firms and joint-stock banks.

A review of the variations of the money market, during the twelve months, is worthy of notice. During the entire period, the rates of discount have ruled much above those witnessed of late years. In consequence of the absorption of capital and drain of specie occasioned by the war, the Bank of England rate at the beginning of the year was six per cent. for sixty days', and seven per cent. for ninety-five days' bills. Notwithstanding the more re-assuring aspect of politics, the efflux of gold continued considerable, partly on account of the Turkish Guaranteed Four per Cent. Loan. The Bank's stock of coin and bullion, which, on the 29th December, 1855, stood at £10,820,143, had therefore declined, by the 26th of April, 1856, to £9,723,130. Consequently, although the Bank of France reduced its rate of discount on the 31st of March from six to five per cent., the Bank of England maintained its terms until the 22nd of May, when they were fixed at six per cent., both for long and short bills. At this period, however, the influx of bullion became more rapid, and a week afterwards, *i. e.*, on the 29th of May, a reduction to five per cent. took place. The coin and bullion stood, then, at £10,558,804. The arrivals of gold continuing, and money becoming more plentiful, these terms were only maintained about a month, the Bank being compelled, on the very eve of the July dividend payments, *viz.*, on the 28th June, to lower the rate to 4½ per cent. The metallic stock had then risen to £13,073,758, being the highest amount of the year. During July, August, and September, the supply of money continued good; but, in the latter month, premonitory symptoms of disturbance in the continental markets were observed. In Belgium, Prussia, Frankfort, Amsterdam, and Vienna, the banks rapidly raised their rates, fixing them at from 5 to 6 per cent. On the 25th of September, the Bank of France, which was subjected to a severe drain of specie, followed the movement, raising its terms to 6 per cent. These high rates naturally attracted capital to the Continent from our market, which was then virtually the cheapest in Europe. The bullion in the Bank of England having fallen on the 27th of September to £11,769,372, the directors met at a special court on Wednesday, the 1st of October—thus breaking through their old rule of reserving such deliberations for the usual weekly court on the Thursday—and advanced the rate from 4½ to 5 per cent. On the 4th of October the bullion had declined to £10,784,257, and accordingly there was another special court on the 6th, resulting in an advance to 6 per cent. for 60 days' bills, and 7 per cent. for longer dates. Upon the same day the Bank of France resolved upon altogether refusing bills having more than 60 days' run. The restrictions adopted by our Bank still failing to stop the drain, and the bullion having fallen on the 11th of October to £10,140,067, the directors, on the 14th, limited their advances on Government stock to 7



days, and, on the 16th, determined to discontinue these advances altogether. This step was generally regarded as aimed chiefly at the firms which were engaged in supplying the Bank of France with gold, and which obtained the money requisite for the operation by obtaining loans on stock. These measures at length produced the desired result, for, although the bullion in the bank further declined on the 1st of November to £9,596,327 (being the lowest amount known since 1847), and the rates of discount for short and 95 days' bills were equalised on the 13th of November at 7 per cent., the necessity of this last step of the directors has been questioned in many quarters. There has since been a diminished export, accompanied by a steady influx, of bullion, and a decided revival of confidence. On the 27th November, the Bank resumed advances on Government stock, on the 4th December lowered the rate to 6½ per cent., and on the 18th December to 6 per cent. The coin and bullion stood, in the latest return (extending to the 20th instant), at £10,513,823; whilst the reserve of notes, which on the 18th October had fallen to the extraordinarily low amount of £2,550,740, has recovered to £5,863,890. The bullion in the Bank of France, which declined on the 13th November to £6,544,400, is now understood to exceed £8,000,000; and the council, in consequence, though adhering to a very cautious policy, have within the last week consented to admit bills of 75 days' date.

It will be seen from this retrospect that, with the exception of three months, during which the rates of discount stood at 4½ per cent., the value of money has not declined below 5 per cent. Indeed, it would be more accurate to say that the current rates have been from 6 to 7 per cent. during nearly eight months out of the twelve. This is a very singular feature, and should induce careful inquiry into the causes, with a view to future guidance. The flow of silver to the east will henceforth be watched with increased attention, for it is certain that the £13,961,000 in silver, which has left the shores of England and France during the year for India and China, has had a powerful influence in occasioning the present stringency. The effect of this drain has been the more conspicuous, owing to the absorption of silver in Austria. Several millions sterling in silver have been added, during the year, to the stock of that metal lying in the Bank of Vienna. The policy of the Austrian financiers is directed to a resumption of cash payments by the National Bank; and this idea has dictated the sale of the Lombardo-Venetian railways, and other state lines, to foreign capitalists, who are bound to pay the cost in silver. Englishmen must learn to bestow more attention upon the movement of commercial and financial affairs on the Continent, for this year's experience proves more clearly than ever that pressure abroad will infallibly react in some degree here.

Amongst the leading financial facts of the year is the negotiation of two distinct British loans. The first, comprising five millions raised in Consols, together with a funding of £3,000,000 Exchequer bills, was taken on the 22nd of February, at a price equivalent to Consols at 90. The second loan, for £5,000,000 Consols was raised on the 19th of May, at the rate of 93 per cent. Both contracts were adjudicated to Messrs. Rothschild and Sons. It is scarcely necessary to remark that in each case the subscribers must have realised a considerable profit. With the exception of a momentary depression, the funds have been well maintained; and nearly all the new stock created, together with that derived from the previous war loan of sixteen millions, has been absorbed by *bond fide* investors. This absorption of stock is perpetual, and a large proportion of the amount withdrawn, being taken for trust accounts, never re-appears in the market. At some



future period of need—may it be remote!—the public will be astonished at discovering the immense extent of the wealth which its excellent credit enables the State to draw at almost a moment's notice from the uncounted resources of the nation.

On the whole, the year 1856 closes with much cause for congratulation. The new year opens with even greater promise. A few clouds rest upon the political horizon, but we believe that the great European powers sincerely desire peace, if only from pecuniary inability to re-engage in war. For this and other reasons, there is ground for the hope that all existing complications will be pacifically arranged. Peace secured, the commercial prosperity of this nation must continue and increase. Although the requirements of foreign states in the shape of loans and railways, together with the drain of silver eastwards, will tend to keep up the value of money, it is generally believed that the existing high rates will not be long maintained. Even the present onerous terms, it is clear, do not prevent a marvellous growth of trade. A further stimulus will probably soon be given by the reduction of taxation.

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#### THE GREAT BANKING FORGERIES.

UNDER the most ordinary circumstances, there is something of interest in the record of great crimes. We may condemn the criminal act, but, at the same time, we cannot conceal from ourselves the fact that deliberately and voluntarily to brave the feelings and prejudices of society, to proclaim war as it were against social laws, by violating those recognised and established principles of virtue and morality, which are the foundations of social order, require an amount of individual courage, which, turned in another direction, would constitute heroism. There are many thousands, unhappily, in every large community, who are being born, bred, and nurtured in crime, and who resort to it naturally and from necessity. Except in so far as a rude sense of honour amongst themselves is concerned—which teaches thief to be true to thief—they know nothing of what we call honesty, and have no choice between robbery and starvation. Cut off from communion with the people amongst whom they live,—deprived of all human sympathy, these “gaol birds” are a distinct, and a hostile, as well as a barbarous race, living in the midst of civilisation; their hand is against every man, and every man's hand is against them; wherever recognised, they are hunted down like beasts of prey, and, after passing through the various gradations of pickpocket, footpad, burglar, and garotter, usually end their lives at the hulks, or the Government works of our military colonies,—unless by some unlucky chance a murder committed, to escape that detection which is only the more certain to follow, for the means taken to avoid it, elevates them to the scaffold, as an example,—but rarely as a warning to others of their own class, who being enchained by the same circumstances and habits, must of



necessity run nearly the same career. But these are your every day criminals,—their offences, with some few exceptions, as in the case of a Jack Shepherd or a Hacket, excite no attention in the public mind, beyond the passing moment. When, however, the criminal is a person having a status high or low in the social scale,—more especially if he be of the class commonly known as respectable, and the crime committed exhibits the boldness of conception which pertains to high natural genius, and the systematic forethought and care which mark the educated and trained mind, the annals of its perpetration, detection, and punishment, assume all the attributes of a soul stirring romance; stimulating the public curiosity, and engrossing its attention to the exclusion of other and far more important subjects. The daring crimes of an noble outlaw—or a gentleman highwayman, or a polite and accomplished pickpocket, are storied in prose and in verse, and the names of their perpetrators become household words. Robin Hood is almost as well known as Richard Cœur de Lion, Dick Turpin, as the great Marlborough, and the pickpocket Barrington, as Walpole the minister. What work so popular as the “Newgate Calendar,” wherein the criminal trials which took place at the Old Bailey, were reported, and from which the exploits of some of the greatest criminals of the past century are reprinted in penny numbers for the benefit of the rising generation? There is always a halo of romance surrounding the history of atrocious deeds, varying according to the station of the criminal, and the difficulties he has to encounter and overcome, and the extent of his success.

The present is essentially an age of progress and intellectual development. In everything we do there is a breadth of design, a completeness of detail, and an adaptation of means to the end, which our forefathers would never have believed to be within the limits of possibility. In matters of science, theories with which we were familiarised in the days of our childhood in the shape only of curious toys, have grown up with us and expanded into realities, which have achieved for mankind wonders that leave back in the far distance the most extravagant conceptions of those vivid imaginations to which we owe “The Thousand and One Nights.” But if the engineer, the mechanist, and the chymist have dared to conceive, and conceiving, to work out practically, inventions whereby space is annihilated, and time itself made to stand still, human skill and ingenuity have progressed also in the direction of wickedness and guilt. We have witnessed lately some remarkable instances, where great originality of idea, untiring energy, cunning device, rare circumspection, and an unconquerable spirit of enterprise, have been called successfully into requisition, to carry out systematic dishonesty



and fraud, as well as in the pursuit of honourable and legitimate avocations. The modern French novelists have imagined many extraordinary combinations of circumstances, favouring the commission systematically and methodically of the most heinous crimes free from the risk of detection and punishment; but all the ingenious fictions of Dumas and George Sand sink into insignificance when compared with the realities which the last year or two, and more particularly the last two or three months, have brought to light in our own country.

As affording the prospects of the richest harvest, the banking interest has been selected as the sphere for the operations of the ingenious professors of forgery and fraud which have of late been so prosperously pursued in the great Metropolis. Forging bankers' cheques and notes is no new offence. Formerly a large proportion of the victims who perished in front of Newgate, under our then sanguinary criminal laws, suffered for this crime, and at the present time forgery is the category which in the calendar of each succeeding session and assize, is most certain to be fully represented. The readiness with which bank clerks from long habit are able to detect counterfeit paper and fictitious signatures allows but little chance of escape, for the bungler in the art, and therefore we always find that where a forged cheque or note has been paid, more than ordinary ingenuity has been brought to bear in the perpetration of the fraud. But, however much of skill may have been exhibited by other forgers, the case of James Townsend Saward, Esq., barister-at-law and special pleader of the Inner Temple, stands without a parallel. Had barrister Saward devoted himself to the profession of arms, and he had risen to the rank of general, he would have been a Napoleon or a Wellington, always provided that his natural preference for the bye way to wealth could be kept in abeyance. The law it is obvious, did not afford sufficient scope for the exercise of so powerful a genius. Mr. Saward was ambitious and covetous; he must get wealth without too much labour. Unfortunately, a man now-a-days, has to plead at the bar many years before he can become a Lord Chancellor or a Chief Justice. Saward found half-guinea briefs even too rare to hold out a hope that he would either make much money, or rise to distinction by a royal road, and his motto being "*Aut Caesar aut nullus*," he chose rather to earn wealth and fame as the prince of swindlers, than join the rank and file of the numerous regiment—the briefless barristers. Possessing talents of an unquestionably high order, ready conception, the power of combination in an extraordinary degree, a singular fertility of resource, an amount of caution which even those in whom that quality preponderates rarely dis-



play—and the command of no inconsiderable capital, he appears to have employed these qualifications and advantages for many years past in levying contributions from the London Private and Joint Stock Banks, to at present an unknown extent, and in planning and perfecting schemes of fraud, the bold audacity of which is equalled only by their success. Admitting the cool intrepidity and judgment, the enterprise and determination of that fit lieutenant of such a captain—Agar, there can be but little doubt that the original concoctor of the project for the great gold robbery was the learned councillor Saward. The nature of the arrangements, the persevering industry with which they were carried into effect, the precautions against surprise and discovery, and lastly, the participation in the realization of the spoil, all point to the hypothesis that the barrister had more to do with that affair than Agar confessed, and it is extremely likely that but for the detection of the culprits in that case, Saward might have gone on drawing a large annual income from the proceeds of these bank robberies to the end of a long life, and that afterwards his probity and the numerous virtues and accomplishments for which, in his lifetime he was distinguished, might have been recorded on a marble tablet in one of our cemeteries, by direction of some admiring relative or friend, who, enjoying the reversion of his ill-gotten wealth, judged of his character by the amount of the bequest.

For a long time past the increasing number of forged drafts presented at the counters of the London banking houses, and from the perfect manner in which the customers' signatures were generally counterfeited, too often paid, had excited astonishment. It was clear that there was an organized system in operation; but though extra precautions were resorted to, the frauds still continued, while all efforts to detect the perpetrators were unavailing. Now and then some poor victim who had been sent to present the forged instrument was detained and given into custody; but in every instance the defence was the same, that the person charged had applied for a situation in answer to an advertisement—had been engaged that very morning on trial, and sent as a first duty to get cash for a cheque, with directions to meet the intended employer at some particular spot with the money. In no instance does it appear that Saward was seen in the matter himself. His game was to keep entirely in the back ground, to commission one of the gang to take a room as a blind to cover the advertisement, for the services of a clerk or messenger—for this person to send the innocent applicant for employment to the bank, while another followed at a short distance to watch whether or not the spurious paper was



cashed, and either to dog the messenger safe back to the place appointed, or to give "the office" to Saward and his friends of his detention, as the case might be. Seeing that the presenter was always an innocent person, who, if he succeeded in getting the money, found when he went to his employment next day that his respectable and wealthy employer had vanished, and if he failed, was left to get out of the scrape as best he might. This was a plan which all but defied detection, in so far as the principals were concerned. But the most ingenious feature in their scheme was that whereby, when a blank cheque was obtained (generally part of the proceeds of some burglary or office robbery committed by thieves, or a less aristocratic trade, and brought to Saward, who was the general negotiator and fence, with stolen bank notes and other traceable chattels to make the best of), the signature and handwriting of the person from whom it had been abstracted was obtained for imitation, in filling up and signing the documents. This is well described by the convict witness and quondam accomplice, Atwell; and here the pecuniary resources of the barrister tell with advantage. Some blank cheques on Gosling's Bank having been stolen from the pocket of a Mr. Turner, a solicitor, one of the confederates called upon and directed him to write for a fictitious debt of £30 to another of the gang who had taken apartments at the address indicated for the purpose of receiving the letter. The application having been made, the £30 supplied by Saward for the purpose is paid to the attorney, and the creditor calls for the money, expecting to receive a cheque for the sum, which would furnish the means of filling up the blanks. In the first instance the *ruse* did not succeed, the attorney paying one the £30 in cash; but a second attempt was more lucky, and by assuming the name of Hunter, Atwell managed not only to obtain the signature of which it was wanted to manufacture *fac similes*, but also the manner in which the unconscious man of law wrote the first syllable of the word "hundred," so that there might be the less chance of a detection of any irregularity in the writing of large amounts in the body of the forgeries. Happily, the capture of Saward, and his accomplice Anderson, followed, as doubtless it will be, by their conviction and transportation, will complete the destruction of the most dangerous gang of swindlers that ever levied black mail upon the banking community. It is not every day that such a clever and accomplished knave as Barrister Saward appears upon the scene; and until some one of equal talent—of equal resources of capital and enterprise, and of like fertility of invention and coolness of judgment—the *exposé* which has taken place will have placed in the



hands of the Banking interest information which will enable them to place more effective guards against the recurrence of loss from a description of fraud to which they, of all the commercial community, are most liable.

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#### THE TURKISH NATIONAL BANK.

THE formal acceptance of the concession for the Turkish National Bank, and its ratification on the basis proposed by the Ottoman authorities, have been officially announced. Meanwhile, nothing further has transpired regarding the principles on which the establishment is to be definitively constituted. Assuming the leading conditions already promulgated in London to be unaccompanied by any drawback, and that it is the intention of the Turkish Government to allow the details to be arranged solely with a view to the legitimate wants of the country and the permanent interests of the Bank, they would appear to afford a foundation for all that can properly be required. The statement that it is intended the institution should be modelled, as far as possible, on the best features of the Bank of France and the Bank of England, is favourable; but in the present case there is a function to be performed for which routine experience furnishes little light, and which involves very critical consequences, not only as relates to the success of the experiment, but also to the specie question in England and other countries. This is the restoration of the Turkish currency. The existing circulation seems to be estimated at £8,000,000, of which more than two-thirds consist of paper in the form of Treasury notes bearing various rates of interest, while the remainder is made up of coin in different stages of depreciation. The whole is to be redeemed by the Bank either in specie or its equivalent, and upon whatever may prove to be its amount the Turkish Government are to allow to the Bank an annual rate of 6 per cent. It will be said, if the Bank, with a nominal capital of £10,000,000 or £12,000,000, are to employ £8,000,000 in this manner, and to receive for it only 6 per cent. on the security of the Turkish Government, the prospect is such as no one would accept, especially while Turkish Six per Cent. Bonds, secured by the Egyptian tribute and always negotiable, can be purchased in London at 95. But this mode of putting the matter would be erroneous. While the Bank would receive from the Government 6 per cent. on £8,000,000 their actual outlay would amount only to a small proportion of that total. They are to have an exclusive right to issue notes payable on demand, but which, like those of the Bank of England, will doubtless be made a legal tender between all other parties; and it is fair to presume that these will, in a great measure, take the place of the currency the Bank are called upon to provide for. Supposing only half of the £8,000,000 to be thus supplied, the position of the Bank would be as follows:—They would have received about £6,000,000 of Government paper, and about



£2,000,000 in coin. On the other hand, they would have disbursed £4,000,000 of specie, and issued £4,000,000 of their own notes. The result thus far would be an actual cash outlay of £2,000,000. Against their own notes, however, they would have to maintain a specie reserve of a third, or about £1,333,000. Their entire outlay would therefore be £3,333,000, exclusive of expenses. Upon this the allowance by the Turkish Government of 6 per cent. on £8,000,000, would be equal to 14 per cent. The latter, therefore, is apparently that which under the least favourable view should be regarded as the rate granted by the concession. It may even be contended, and not altogether without grounds, that in this estimate the probable results are too narrowly stated. There is no room to doubt that the conveniences of a paper circulation, guaranteed by the periodical publication of the bullion held against it, will be at least as fully appreciated in Constantinople and the other principal cities of the Turkish empire, as in any part of the world. The intelligence of the Greek houses, who command all the leading business, and the great faith of the Turkish population when they find they are being honestly dealt with, appear to insure this result. It is possible, therefore, that the circulation of the new bank may prove equal in amount to that which is about to be withdrawn, and in that case the advantages enjoyed will proportionably increase. Admitting, however, the full force of these considerations, great care will be required to be exercised by the founders in adjusting not only the mode of carrying out the object in question, but also the terms on which the capital of the bank is to be called up. The immediate solidity of the establishment, and the convenience of the money-markets of London and Paris, are alike concerned in these matters. If the redemption of the currency were to be effected by a sudden operation, it would be necessary for the bank to provide themselves with an amount of bullion nearly equal to the whole of it, since they could not rely that their own notes would at once be accepted to any large extent by a population not familiarized with them; and to provide this they would be obliged to call up almost their entire capital, while they would at the same time establish a most disturbing drain upon our market. If, on the contrary, the redemption is effected in notes, a certain percentage of which are made to become convertible at periods extending altogether over 10 or 12 months, the entire operation will most likely be completed without the necessity of a single ounce of gold being procured from this side, the advantage being also gained of less than one-half of the nominal capital of the bank being required to be paid up even by the end of that period. The abundance of English sovereigns at present spread throughout Turkey is such that, so far from the bank calling for our gold, they might be the means of affording the holders of these sovereigns a safer medium, and thus accelerate their re-shipment hither. In relation to the amount of capital, as the chief business of the bank, beyond the control of the circulation, would, in the first instance, be that of assisting the revenue collections and conducting the payments of the Government at a certain charge, in a manner analogous to that of the Bank of England, there could be no pretext for a sum being called up much beyond that which would be needed for a proper bullion reserve.



Looking at the grave interests thus involved, and the extraordinary commercial development which both the European and Asiatic provinces of Turkey seem destined to attain, and which has hitherto been retarded as much by the absence of roads and of a sound currency system as by any political causes, it will be seen that the subject invites the most vigilant attention; that it will be the duty of all our financial and trading classes to watch the spirit in which its promoters frame their plans; to give every encouragement to the undertaking if, upon a careful scrutiny, all its terms shall prove consistent with simple and rigid principles that are to be inviolably upheld; and to denounce it if they find the taint of an attempt, direct or indirect, to introduce a single feature such as would indicate that the minds at work upon it have been in the slightest degree corrupted by the *Crédit Mobilier* mania in the Continental Bourses.

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#### "MERCATOR" ON THE BANK CHARTER ACT.

In presenting to the readers of the *Bankers' Magazine* the following letters,\* furnished by "Mercator" to *The Times*, it must not be supposed that we adopt the whole of the views expressed. The author, who is popularly believed to be Lord Overstone, has however entered into a lengthened exposition of the principles and working of the Charter, and the ability with which he has treated the subject, will lead most persons to give these productions due consideration. He has been answered through a variety of channels, and those who advocate a repeal of the bill of 1844 contend with success, but since the entire question will be reviewed in the course of the approaching session, legislative action is not likely to be long delayed.

*To the Editor of the "Times."*

Sir,—In a few weeks Parliament will assemble. Among the important subjects to which its attention must then be directed, will be the Bank Charter Act.

Is that measure to be renewed and rendered permanent in its present form? Is it to be subjected to important modifications, or is it to be altogether repealed, and the management of the circulation, and the security for the maintenance of cash payments, to be restored to the state in which they were before the act of 1844 was passed? The Government must shortly declare its opinion, and tender its advice to Parliament and the country, with the view of coming to a final settlement of this question. In anticipation of the discussions which must take place, it is desirable that the public should refresh their recollection of the leading considerations by which the necessity for some further security for the due management of the circulation beyond that provided by the act of 1819 was established, and of the preliminary discussions which prepared the way for the passing of the Bank Charter Act. Nor is it unnatural that they should wish to satisfy themselves how far the reasoning of those who advocated that measure, and the anticipations they entertained of the probable practical results, have been verified by the subsequent course of events.

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\* Four letters have altogether appeared, but at present we can only find room for the three which had been published when this part of the Magazine was passing through the press.



The principle of placing a positive restriction upon the amount of the paper issues was introduced for the first time in the act of 1844. Previously to this, the paper issues had been subjected to no further restriction than that involved in the obligation upon the issuers to convert their notes at all times into gold on demand. To rely upon the efficiency of such an obligation, unaccompanied by any security for the certain fulfilment of it, and to permit an unlimited issue of paper notes, which are nevertheless to be convertible into the metal of intrinsic value, will not now, to an instructed public, appear to have been a very reasonable or wise measure. So it is; in every progressive step of knowledge we look back with astonishment at our antecedent ignorance. The duty rests with Parliament and the country to institute at the proper time a careful inquiry into the operation of this new principle; and the recent course of events having subjected our monetary system, in common with that of the other countries of Europe, to a severe and protracted trial, the present seems to be the appropriate moment at which we may dispassionately scrutinise the practical operation of a measure, the object and purpose of which was to secure the solidity of our monetary system from all possible danger during such a contingency.

Hitherto the advocates of the act of 1844 have been content, in the storm of ignorant abuse with which they have been assailed, to leave their opinions to the sure operation of time and the silent but irresistible influence of truth. The new principle, however, has now been subjected to a sufficient trial. Every honest inquirer after truth will ask, "What has been the result? Has the solidity of our monetary system been effectually maintained under the provisions of the act through the recent period of protracted pressure on the exchanges? Has the operation of the act been found to correspond with the anticipations of those who originally advocated the principles upon which it is founded, and has it accomplished the results which they ventured to promise?" From such inquiries, the friends of the act of 1844 have no reason to shrink. The hopes they ventured confidently to entertain have not been disappointed; the results they looked to have been fully accomplished; and the principles upon which they relied have received ample confirmation.

But a further question may suggest itself, and the investigation to which it points cannot be overlooked.

Have the restrictions imposed by the act as necessary for the protection of our bullion reserve and the faithful maintenance of the metallic value of our circulation been found consistent with the prosperity of our trade, our commerce, and every branch of our productive industry, and conducive to the safe and healthy development of the national resources?

The answer to this question is calculated to generate feelings of pride, not in the friends of the act of 1844 alone, but in the breast of every Englishman. Because it is to be found in a careful consideration of the progressive increase of the trade of the country through the twelve years during which the act has been in force, and of the corresponding increase of prosperity in every other branch of industry; and further, in a comparison of the present extension of national prosperity with the state of the country in 1844, the year in which the act was passed.

The great change in our commercial system, by which the jealousies and protective restrictions of former times were abandoned for the principles of free trade, and also the laws by which the monetary system has been established upon a clearly defined and solid basis, are due, the wisdom and firmness of the same minister. They were introduced about the same period; they were received by an important portion of the community with the same vehement and incautious denunciations; they have now been



subjected to the same test of practical experience, and the issue has been in each case a similarly successful result. Born about the same time, and springing from the same parent, these great measures have been exposed to similar difficulties through their early career—vague apprehension and unnecessary panic on the part of the shortsighted and ignorant, bitter hostility and unscrupulous abuse from the rash and intemperate, frantic clamour by some, ominous but mistaken predictions by others. To what an amount of unreasonable hostility, to what rancorous and unseemly abuse was Sir Robert Peel exposed, on account of the measures by which he placed the prosperity of our trade upon a lasting and solid foundation! Nor did a more reasonable or just appreciation attend the effort which he made to simplify and strengthen the foundations of our monetary system. We were told, "If you remove the restrictions by which British industry has been protected and nurtured—if you proceed to expose our trade to foreign competition—British energy will be paralysed, the trader will be undersold, the agriculturist will be ruined, and the foundations of our national prosperity will be shaken. If, again, you attempt to put a positive restriction upon the amount of the paper issues, and thus faithfully secure to the paper money a value corresponding to that of the metallic money, the result will be that credit will be destroyed, enterprise will be paralysed; the multiplied transactions of this busy country cannot be carried on with a monetary system thus restricted, and the naturally expansive tendencies of our prosperity will be fatally obstructed." To these anticipatory apprehensions and alarming predictions, the supporters of the measures of Sir Robert Peel, both as regards trade and monetary affairs, may now oppose a triumphant appeal to practical results. What was the extent of our trade, what the general state of our national prosperity, in 1844, the period at which it may be fully said that both these great measures were inaugurated; and what is the corresponding state of trade and general prosperity at the close of 1856, when these measures have undergone a twelve years' probation?

The monthly and annual statements published by the Board of Trade are now accessible to everybody, and, fortunately, they are the subject of careful consideration by many. These tell a plain but impressive tale. Imports and exports, amounting in 1844 to £45,000,000 sterling per annum, increased in 1856 to an amount considerably exceeding £100,000,000. Let an intelligent community reflect seriously upon the full meaning of these tables; let them clearly develope to themselves all that is really expressed in this short statement. What must have been the development of national industry by which this immense increase of exports is produced! What the accumulation of the capital in the machinery necessarily employed in producing, in the railroads and shipping occupied in the transference by land and by sea of these exports, and in bringing back the corresponding imports! What must have been the increase of national resources which can enable the people of this country to pay for this incredible amount of imports! What an increase of the comforts and the luxuries of the people must the distribution among them of such an amount of imported articles necessarily involve! And, lastly, what must have been the extension of credit and the expansion of confidence without which these multiplied transactions could not be sustained, and this extensive interchange and distribution of commodities could not be effected!

These results cannot be claimed as the direct and necessary consequence of the monetary legislation of 1844. They are the glorious fruits of the free trade measures of that period. But if the seed was sown and first germinated in the soil of free trade, let us remember that our monetary



legislation has constituted the atmosphere in which the plant has grown to its present strength and maturity. Does it now exhibit any symptoms of having been nurtured in an ungenial climate, any indication of deficiency in the support and nutriment necessary for its healthy growth, or any sign that it has been subjected to pruning or restraint incompatible with the full development of its gigantic proportions? The events of the last twelve years are pregnant with valuable instructions as regards our monetary as well as our commercial legislation, and reference may justly be made to them as affording evidence of the safety and efficiency of the act of 1844. It has protected the bullion reserve, and faithfully maintained the value of our paper money, through a period of very trying circumstances; and, while discharging this, its peculiar and appropriate function, the restriction imposed by it upon the paper issues has not been found inconsistent with a wonderful development of industrial energy, nor has the application of those restrictions, even in their most severe and stringent form, verified any of the sinister predictions of its opponents. It has not destroyed credit; it has not paralysed the operations of trade; it has offered no serious interruption to the safe and healthy expansion of national prosperity to an extent of which there is no previous example. While, however, it has thus extinguished the predictions of its opponents, it has realised all that its advocates ventured to promise on its behalf.

Through a protracted period of unnatural disturbance in the distribution of the precious metals throughout the world, and of consequent pressure upon the monetary system of all the countries in Europe, it has maintained a strict correspondence of the amount of paper notes with the amount of bullion; it has introduced the necessary restriction upon the amount of the paper issues and upon credit in the early stage of the drain of bullion, and has thus rendered it gradual; it has indirectly afforded timely warning, and applied a salutary restraint to dangerous speculations, without unnecessarily crippling legitimate operations; it has exercised a moderate, but steady and effectual control over the exchanges; it has thus arrested a drain of bullion which would otherwise have become formidable, and in the last stage productive of serious alarm (which, we know, was the almost invariable result in former times); and there is every reason to expect that it will have conducted us safely through all the difficulties of the past year. The winds have blown, the waves have rolled, even the compass has been disturbed, and has seemed at times to give uncertain indications; but the vessel has kept her true course, and she is now about to pursue her further course, sound in all her parts, her masts and her rigging undisturbed, and her cargo uninjured.

Are we, then, to cashier the captain, to condemn the ship, to issue a new code of sailing instructions? or have we sufficient reason for continuing our confidence in the soundness and efficiency of the system under which the results already described have been secured? Those who have uniformly supported the act of 1844, through good report and through evil report, have rested their confidence upon scientific principles; and those principles have never been shaken in argument. For a practical confirmation of their views, they have always appealed to future results. These results are now before the public—an enlightened public, if we contrast the knowledge now diffused throughout the community on this subject with the darkness by which we were overshadowed when these discussions first arose.

What, then, is the public judgment on this matter? Let those who, from their position in the Bank direction, have had the duty of watching with daily vigilance the operation of the act through a period of trial, de-



clare the result of their observation and experience. Have they found that the powers with which they are armed, and the restrictions to which they are subjected, are consistent with the satisfactory conduct of our monetary affairs? What is the result of the experience of our cautious and enlightened merchants? Have they found the monetary system of this country subjected to an unnecessary pressure from which other great trading communities have been exempt? Have their transactions been restricted and interrupted by needless monetary pressure, while those of their correspondents at Hamburg, at Paris, at Vienna, or at New York, have been subjected to no such inconvenience? What, according to their experience, would have been the certain result of a relaxation or suspension of the act of 1844 during the past year? Are they not convinced that the demand for capital and the consequent rise in the rate of interest would have been rendered more severe through the further expansion of undue speculation; that the pressure upon the exchanges and the drain of bullion would have continued longer without due correction; and that, in the last extremity, sudden contraction and alarm would have been the inevitable result, instead of that gradual and easy restriction under which trade has continued to prosper, while the monetary system has been effectually protected? Surely the lessons of former experience are not to be obliterated—the crisis of 1825, when the exchanges remained uncorrected till the bullion was reduced to almost the last sovereign, and consequent alarm had brought the country to the very verge of a state of barter; the perils of 1837 and 1839, when a repetition of this neglect of timely restriction of the issues brought about analagous results, imminent danger to the monetary system, and extreme alarm. Are we so thoughtless or so mad as to contemplate a return to this state of things as preferable to the ease, the tranquillity, the undisturbed state of public credit, and the uninterrupted prosperity of every branch of industry which has characterised the past year?

The determination of this question may be safely left to those great classes of the community which have the most immediate interest in a wise decision. Public opinion, expressed through them, must exercise its legitimate and salutary influence on the deliberations of the Legislature. The subject, fortunately, is no longer involved in the obscurity which formerly surrounded it. Facts have accumulated, and are spread like seed over the public mind. Correct information and sound reasoning have diffused their enlightening influence over all classes. The alarm, not unnaturally excited in the first instance by vague denunciations and unfounded predictions of evil upon a subject imperfectly understood, has subsided, and the ever-varying phenomena of monetary affairs, the alternations of ease and pressure, of excitement and restriction, the inevitable accompaniments of activity and progress, are now contemplated with that calm composure and steady confidence which are the sure result of sound knowledge.

Thus are we prepared to approach the question of the Bank Charter Act and the final settlement of our monetary legislation, free from the foolish apprehensions which spring from ignorance, and undismayed by warnings and denunciations, the fallaciousness of which has been established by recent and enlarged experience, confirming the conclusions of previous reasoning, and establishing the final triumph of sound principles.

Dec., 1856.

MERCATOR.



*To the Editor of "The Times."*

SIR,—Your insertion of my former communication encourages me to pursue the subject.

In the approaching session legislation must take place upon the Bank Charter Act. That measure must be renewed or repealed, partially or entirely; and, as preparatory to this result some judgment must be pronounced by the public, to arrive at a sound conclusion we must revert to the circumstances creating the necessity out of which that measure arose; we must again examine the principles upon which it was founded; and the results which have arisen under the bill must be compared with the anticipations and predictions of those upon whose recommendation and authority the measure was passed.

The act of 1844, though founded on scientific principles, was eminently a measure of a practical character.

It was an attempt to apply an effectual safeguard against the inconvenience and danger which had actually occurred on several occasions between 1819 and the period of passing the act. When the resumption of cash payments was determined upon in 1819, the legislature subjected all issuers of notes to the obligation of paying their notes, on demand, in gold. But it took no further steps to secure the fulfilment of that obligation; no restriction was placed upon the number of issuers, nor upon the fluctuations in the amount of notes which such issuers might put forth.

The efficiency of this system for the proper regulation of the circulation was subjected to severe trial, especially on three occasions—1825, 1837, and 1839.

No reasonable person can be surprised at the results which ensued. The legislature had imposed an obligation to pay the notes in gold on demand, without providing any security for the fulfilment of it. It required a constant coincidence of value between paper notes and metallic coin, but it put no restriction upon the issue of the paper notes, the value of which could be regulated and maintained by no other means than a strict limitation of the amount.

The discussions which subsequently arose established a conviction in the public mind that the disasters of trade and the imminent danger of failure to maintain specie payments which marked those periods were intimately connected with mismanagement of the paper issues. Extensive insolvency of the issuers had occurred; and the issuing power had been greatly abused by maintaining the amount of issues undiminished when the state of the exchanges and the steady decrease of the bullion reserve clearly demanded a contraction of the circulation, for the purpose of maintaining its value and securing its convertibility.

When the period for the renewal of the Bank Charter Act arrived, Sir Robert Peel applied his eminently practical mind to a consideration of the proper means of correcting these evils.

He saw that the discretion of the issuers is not a sufficient security to the public for the proper regulation of the amount of the circulation, but that it must be secured by some positive enactment.

He saw that banking purposes, or the supposed requirements of trade, do not constitute the proper measure by which to regulate the amount of paper issues; but that these must be regulated with reference to the amount of the bullion into which the notes are to be at all times convertible.

These considerations led Sir Robert Peel to the conclusion that, as an abstract principle, without reference to what is due to existing regulations, to establish habits and prejudices, the paper money of a country ought to



be issued by one body exclusively, and that the amount of that issue ought to be regulated in strict accordance with the fluctuations in the amount of gold.

Upon this principle the act of 1844 was founded; and in the provisions of the act this principle was carried out to an extent which was deemed sufficient to secure the great object in view. In some not unimportant particulars the application of this principle was, however, partially modified or suspended, in obedience to practical considerations of the nature already alluded to.

The "Issue Department" of the Bank of England was completely separated from the "Banking Department," and the fluctuations in the amount of bank notes put forth by the "Issue Department" were made to conform strictly to the amount of bullion in deposit.

Numerous sources of issue were still permitted to continue, but these were subjected to new regulations, the object of which was to put some effectual restraint upon the private discretion of the issuers, to establish a more close and immediate relation between the fluctuations in the amount of their issues and of the gold in deposit, and to diminish the danger of insolvency on the part of the issuers.

The question which now comes before the country is this—whether the act of 1844 ought to be renewed in its present form, or with modifications, or whether it ought to be altogether repealed.

To determine this question we must consider how far the act has accomplished the purpose for which it was passed, how far the principle upon which it was founded has been verified by subsequent experience, and whether the anomalies still permitted to exist under the provisions of the act have been found to interfere with the full efficiency of the act to such an extent as to require further legislation for the correction or removal of them.

The first great object of the act was the effectual maintenance of specie payments, and the suppression of all real danger, and of such reasonable alarm and apprehension upon the subject as occurred in 1825, 1837, and 1839.

And, second, the accomplishment of this result by means which should secure a constant conformity between the fluctuations in the amount of paper notes and of the bullion, and thus necessarily insure an early and therefore gradual contraction of circulation, instead of leaving it to fall, in an advanced stage of the drain of bullion, with sudden and disastrous violence, upon a public unprepared and therefore easily alarmed.

That the act has fully accomplished all that was expected from it in this respect admits of no reasonable doubt. It has been in operation during a period of twelve years, and in the latter part of this period we have passed through a severe trial—a sudden transition from peace to war, and again a return from a state of war to peace, immense military expenditure and heavy loans by the principal Governments of Europe, a severe drain upon the precious metals in all the principal exchange towns in Europe, a great rise in the rate of interest throughout the Continent, from the extensive destruction of capital during the war, followed by the sudden, though natural, expansion of commercial enterprise on the return to peace, and a further pressure upon capital in this country, from the speculative activity springing out of the excitement of a new limited liability law.

Through the whole of this trying period the bullion in the Bank of England has been steadily maintained at an amount which effectually suppresses all alarm or anxiety respecting our specie payments; the unavoidable pressure upon the money-market has come on gradually and progres-



sively, in concurrence with the drain upon the bullion, and, the result being clearly anticipated, and the cause of it correctly understood by the trading community, it has produced neither alarm nor serious inconvenience. In this respect the contrast of the circumstances attending the recent drain, and of the manner in which it has been met, with the effects produced during former periods of pressure in 1825, 1837, and 1839, is most satisfactory and encouraging.

In the twelve years which have now elapsed from the passing of the act, the trade of this country has more than doubled—we have passed from peace to war, we have raised large loans, we have greatly increased our taxation without any decrease of the previous productiveness of each branch of our revenue, we have sustained a protracted drain of bullion, and we are now speedily progressing through a period of pressure and difficulty, the cause of serious embarrassment in other countries, without any real disturbance with us of public credit or any apprehension respecting the solidity of our monetary system. The high rate of interest, the long continued export of bullion, and the unavoidable pressure upon our monetary system, are met without alarm, without difficulty, without any general discredit. This firm and steady condition of our trading community will bear a favourable comparison with the state of credit in other countries under the influence of the same disturbing causes. This consideration leads to the conclusion that there is nothing in our monetary legislation really unsound; that the law by which we have placed our paper issues upon a solid basis is perfectly consistent with the unlimited development of our trading energies under favourable circumstances, and with a solid and steady state of public credit and commercial resources during periods of adverse exchanges and of increased demand for capital.

But a relaxing power is called for by some persons. What necessity can there be for any special provision to facilitate the relaxation of a law, under the stringent application of which such results have been accomplished.

Let us consider well the inevitable consequences of introducing any relaxing power under the act. Will it not destroy the real efficiency of the bill?

As the law now stands, the commencement of a drain of bullion is immediately followed by measures of precaution on the part of the Bank and the public, engendered by the conviction that contraction of issues and restriction of credit must progress without interruption until the drain of bullion has been effectually checked. Convinced that they can have no ultimate resource or security except in a cessation of the drain produced by contraction of issues and an increase in the value of money, both the Bank and the public watch with vigilant attention the first symptoms of decreasing bullion, and, resorting at once to those measures which are the only legitimate and certain means of arresting the drain, they obviate all ultimate danger, and are enabled to meet the difficulties of the crisis—the contraction of issues, the rise in the rate of interest, the restriction of credit—without embarrassment or alarm.

Upon this point we may now make a conclusive appeal to experience.

But if a relaxing power be introduced into the act a strong tendency will at once arise, influencing both the Bank and the public, to rely less upon their own early precaution and prudence, and to look to a resort to this relaxing power as their ultimate source of relief. By this means the adoption of precautionary and corrective measures will be delayed, the early and gradual contraction of credit and of transactions will be interrupted, the steady confidence with which the public now contemplate the progress of a drain of bullion, and meet the pressure which necessarily accompanies it, will be disturbed, and thus the real utility and efficiency of the bill will be seriously impaired—possibly altogether lost.



The act was passed for the expressed purpose of preventing the possibility of an undue issue of paper money in periods when the temptation to such undue issue becomes pressing and dangerous. The introduction of a relaxing power would be a public declaration inserted in the act itself, that its restrictive provisions shall not be enforced when those peculiar circumstances occur which render the provisions of the act necessary to protect the solidity of our monetary system.

What would be thought of the courage which claims the privilege of running away whenever the danger becomes great, of the fortitude which shrinks when the trial is severe or the pain acute, or of the moral code which sanctions the principle of relaxation whenever the temptation to crime becomes strong or the effort of resistance is peculiarly painful? The absurdity is in no respect less in the matter now under our consideration. No great danger can be averted, no pressing evil can be removed, without the strain and effort of a determined struggle or the painfulness of some present sacrifice. When all the civilised world is competing for capital, no country can retain its due proportion which will not consent to pay the necessary price in the form of a high rate of interest. When peculiar causes create a general and severe demand for the precious metals, the country which will not consent to bear her proportionate share of the pressure must consent to yield to other countries in which there is more firmness and more regard to principle, those precious metals, and to abandon that metallic standard which she has neither the virtue nor the resolution to maintain. Is England, then, the country which is unable or unwilling to pay the rate of interest, which in a temporary emergency may become requisite for retaining the amount of capital proportioned to the extent of her engagements; or is England the country which has neither the firmness nor the honesty to bear the temporary pressure which may be necessary for maintaining the metallic value of her currency and for upholding the good faith of her standard?

But weakness and irresolution in the hour of trial always prove false friends to those who foolishly place reliance in them. They lead not to honour or to safety, but are the fatal guides to disgrace and danger. Monetary affairs are not exempt from this universal law. The relaxing power will prove a false and treacherous guide to the country that relies upon it. It means an increase of issues not warranted by any increase of bullion; and it will of course be resorted to only during an adverse state of the exchanges. But bullion goes out of the country only because it is in greater demand elsewhere than with us—thus affording conclusive proof that our currency is comparatively redundant. At such a moment to increase the issue of notes must tend to increase the redundancy of our currency, and give additional force to the causes which produce the export of bullion. The immediate effect may be a delusive appearance of relief; but the ultimate result must be to extend the mischief, and to render the final correction of it more difficult, and attainable only by a still greater sacrifice. It is important that these inevitable results of the introduction of a relaxing power into the act should be clearly understood. The public otherwise, deluded with the belief that they still retain the protection and security which the bill in its present form undoubtedly affords, may find, when the period of trial arrives, that in adopting the relaxing power they have surrendered the substance and grasped only the shadow.

MERCATOR.



*To the Editor of "The Times."*

Sir,—The reasons have been already set forth on which we may confidently anticipate that the existing settlement of our monetary system will be firmly maintained. The steady force of sound principles, the clear deductions of scientific reasoning, the emphatic verdict of experience, will not be hastily overruled. These considerations—each separately powerful, but deriving irresistible strength from their coincidence—must command the assent of the Government, of Parliament, and of the public. The safety of our monetary system will not again be exposed to the unregulated or haphazard operations of multiplied private issuers, acting, of course, under the influence of competition, and naturally consulting only their own interests; neither will any one great public body be intrusted with the dangerous power of creating money at its own discretion, and extending or contracting the amount of the circulation, uncontrolled by any fixed rule. The act of 1819 affirmed the principle of restoring our paper money to its just and honest value; the act of 1844 has given us effectual security for the faithful maintenance of that value—noble records to be inscribed on the statues which public gratitude is now raising in honour of the author of those measures; and the Parliament of 1857 will not invalidate them, and attach to itself the stigma of having again plunged the country in the monetary confusion and danger, to extricate us from which has required so many painful efforts, so much patient perseverance, and such endless discussions. The fundamental principles of those measure—namely, the separation of the issue and banking departments, and the entire suppression of discretionary authority over the amount of the paper issues—will be maintained. The repeal of the act of 1844, and a return to the incomplete system of 1819, may be regarded as impossible. It would be a most formidable retrograde step towards a suspension, or rather an entire abandonment of specie payments, and would soon terminate in that result. The people of this country are become too wise as regards their own interest, too honest as regards public principle, to tolerate such a suggestion. But modifications of some of the provisions of the Bank Charter Act, which, involving no violation of its essential character, find favour with those who are fond of change, and therefore think that "something must be done." Let all such propositions be received for what they are worth. It is important to understand their real effect, that the value to be obtained may be compared with the trouble, the inconveniences, and the uncertainty which must attend the change. I will advert to one or two of these suggestions.

First, with regard to what have been called the anomalies of the bill—the omission to apply the principle of the bill in its strict form to the country issuers of England, and also to the issuers in Scotland and Ireland, and thus to restrict the power of issuing paper money to one body exclusively. This is undoubtedly a departure from the pure principle of the bill, acquiesced in from a regard to practical difficulties, and an unwillingness to excite, without adequate necessity, the prejudices of important classes rendered more obstinate by a sense of private interest. But has it been found by experience that the anomaly seriously impairs the efficiency of the bill? These issuers are subjected by the bill to some useful and really powerful restraint. They cannot nullify its objects, notwithstanding the supposed incompleteness of some of its provisions. The fluctuations of the paper money now really correspond to what would be the fluctuations of a metallic circulation. A drain of bullion we now know by experience, is met by early measures of precaution and correction, which are uninter-



ruptedly maintained until the necessary result has been secured. The great object of the act—the protection of the bullion reserve, and the certain convertibility of the paper notes into gold on demand, is fully attained under the provisions of the bill as they exist. The attempt to render it more consistent and complete by abolishing entirely the privilege of issue such as is at present conceded to the private banks of England and the great banking companies of Scotland and Ireland, may probably give rise to very troublesome discussions, without any adequate necessity or the reasonable prospect of any really important improvement.

2. In the opinion of some persons, all private issues, whether by the Bank of England or private concerns, are inconsistent with sound monetary principles, and they will therefore propose that the privilege of issuing paper notes shall be vested exclusively in the Government. This suggestion, however, is exposed to a formidable objection. Great danger may be apprehended from associating in the mind of the people the pressure of monetary contraction with Government responsibility. Weak or dishonest Governments may yield to the pressure to which they will, of course, be subjected, and seek to obviate political difficulties, or to promote their own temporary popularity, by a fatal tampering with the solidity of the system.

The law in its present form is exposed to none of these objections. The issue department is subject to no control by the Bank of England or by the Government; the fluctuations in the amount of notes issued is determined by the positive law of Parliament enforcing a great principle; and, as neither Bank of England nor Government is vested with any discretionary power over the amount of notes to be issued, no inconvenient or dangerous responsibility can attach to them.

3. Another suggestion, the plausibility of which may probably command for it the favour of some persons who are firm supporters of all the essential principles of the bill, is that of increasing the amount of notes which may be issued upon securities. At present, in addition to the notes issued against the bullion in deposit, notes to the amount of £14,500,000 are issued against other securities. Some increase of this amount may possibly be permitted without any reasonable probability of subjecting the bullion reserve to dangerous diminution, and some small profit may thereby accrue to the Government. In this, however, consists the whole advantage to be derived from the change. No absolute increase in the aggregate amount of the circulation of the country can result from this arrangement. Whatever increase takes place in the amount of notes issued upon securities, there must be a corresponding decrease in the amount of notes issued upon bullion.

The total amount of the circulation will remain unaltered. The great laws which determine the monetary equilibrium of the commercial world assign to this country a certain amount of money. No internal arrangements to which we may resort can alter or suspend that law. We may determine for ourselves what proportion of that amount of money shall exist in the form of notes issued upon other security than that of bullion, and what amount shall be issued upon bullion; but beyond this our power does not extend. The monetary arrangements of this, as of every other country, must be subordinate to the great principles which regulate the monetary equilibrium of the world. Any attempt to resist or modify the result of these principles can result only in confusion and embarrassment.

4. Objections have been raised against the provisions of the bill as they now stand, on the ground that the same correctives are indiscriminately applied to all drains of bullion—that no attempt is made to discriminate and to treat a drain of bullion differently according to the different causes



from which it may originate. A pressure upon the exchanges may be caused by an excess of imports, arising from over speculation, or by a failure of the harvest necessitating large imports of foreign grain, or by a great demand for some article of extensive consumption, such as raw cotton, or by foreign expenditure of the Government for warlike purposes, as on the recent occasion. In short, it is impossible to enumerate the endless variety of causes from which a disturbance in the distribution of the precious metals, and a consequent drain upon our bullion reserve, may spring up. Is it possible, however, to distinguish with certainty between these different causes, and to determine to which of them a drain, when it arises, is attributable? And, even if this be practicable, will it be wise or safe to suspend our precautionary or protective measures so long as the bullion, from whatever cause, is subject to a continuous diminution? A drain of bullion may arise from the joint operation of several causes; indeed, it is seldom otherwise. Who is to say how much of the drain arises from one cause, and how much from another cause? Such a distinction is utterly impracticable. The exclusive purpose of the act of 1844 is to make our paper money correspond in amount and in value with what, in the absence of paper issues, would be the metallic money of the country. Any attempt to do more than this is held to be unsound and dangerous. A drain of bullion, whatever the cause of it, would produce a contraction of metallic money; it ought, therefore, to be met by a corresponding contraction of the paper money.

We have heard much of the "management of the circulation." It is, perhaps, an unfortunate expression, as, upon the use of it, appears to depend in some degree, the fallacy we are now discussing. There ought to be no management whatever of the circulation. It must be left to regulate itself by the free action of the public paying in or drawing out gold, while the issue department confines itself to the mechanical duty of issuing notes as the gold is paid in and cancelling notes as the gold is drawn out.

This is the simple principle of the act of 1844.

Here let us pause, and calmly survey the grounds upon which these modifications of the bill are recommended to our confidence. The act, in its present form, has been found sufficient for its great purpose—the protection of the bullion reserve, by means consistent with the stability of commercial credit and the progress of industrial prosperity. The bullion has been preserved from undue exhaustion, the exchanges have been subjected to sufficient control, speculation tending to a dangerous excess has been restrained, at the same time useful enterprise has met with no serious obstruction, industrial pursuits have been maintained in healthy activity, the productive powers of the country have been expanded, while the amount of the necessaries and luxuries of life distributed among the people has been prodigiously augmented. In short, the public, as has been observed with truth, is almost tired of hearing of the soundness of trade. What, then, are the ascertained evils to be obviated—what the certain benefit to be obtained through the introduction of the suggested modifications? It is well that these questions should be carefully considered before we legislate, lest, in our attempts to modify the existing law without a clear perception of the necessity of the change, or of the certainty of the advantage to result from it, we should find ourselves playing the fool's game,

"Shunning fancied ills, and chasing airy good."

Jan., 1857.

MERCATOR.



### THE ROYAL BRITISH BANK.

WE have again devoted some space to the litigation connected with the Royal British Bank, which now appears likely to be brought to a conclusion. While giving the details in Chancery and Bankruptcy, we have, however, omitted the actions brought by customers against individual shareholders, inasmuch as they would occupy too much space, and the result is alluded to elsewhere. The facts, identified with the administration of the estate, constitute the leading information required for this work, although the position and responsibility of shareholders are questions of great importance. A first dividend of 5s. 6d. in the pound has been declared; the Bankruptcy proceedings continue in force; an attempt has been made to declare Mr. Humphrey Brown, M.P., bankrupt, but it is now abandoned, and his accounts, which are very complicated, will be referred to arbitration. Finally, it is stated that a movement is again on foot to effect a compromise between the shareholders and the depositors, and that there is a prospect of success. The preliminaries have at present only been arranged, but it is hoped some agreement which will arrest the existing fatal progress of "law costs," will be arrived at.

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*Court of Bankruptcy, Basinghall-street, Dec. 30.—(Before Mr. Commissioner HOLROYD.)*

#### IN RE THE ROYAL BRITISH BANK.

An order was signed to-day for the payment in this case of a dividend of 5s. 6d. in the pound. The same is payable on Saturday and Monday next at the South Sea House, Threadneedle-street, from 10 till 5.

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*Court of Bankruptcy, Basinghall-street, Dec. 31.—(Before Mr. Commissioner HOLROYD.)*

#### IN THE MATTER OF THE ROYAL BRITISH BANK.

A private sitting had been fixed for this morning, for examination of one of the former directors of the bank, but no particulars transpired.

Mr. Linklater applied to the Court for the appointment of a further dividend sitting. He stated that the dividend already declared of 5s. 6d. in the pound would be paid to the creditors who had proved up to the last meeting on Saturday and Monday next, at the head offices of the bank, in Threadneedle-street. Debts to the amount of about £380,000 had been proved, but several creditors had, by inadvertence, omitted to prove their debts. The assignees and himself (Mr. Linklater) were most anxious that no injustice should be done to any creditor, and desired to place all upon an equality as soon as possible. He therefore asked for an early meeting at which further debts might be proved, and, as it was not expected that they would amount to £100,000 beyond the sum already proved, the assignees would have sufficient funds to pay those creditors the dividend of 5s. 6d. in the pound. If the shareholders and debtors paid to the official assignee the amounts due from them, a further dividend might also be declared at the same time.

The Commissioner said it was very desirable that the course proposed by Mr. Linklater should be adopted, and that all creditors should be placed



upon an equal footing as soon as practicable. He accordingly appointed Saturday, the 24th of January, at 12 o'clock, for a further dividend.

IN RE HUMPHREY BROWN, M.P.

At a later hour a petition for adjudication of bankruptcy was filed by Messrs. Linklater and Hackwood against Humphrey Brown, of Number 2, Little Smith-street, Westminster, and of Tewkesbury, in the county of Gloucester, member of Parliament for the borough of Tewkesbury, ship-owner. The petitioning creditors are the assignees of the Royal British Bank, whose unsecured debt is stated as nearly £40,000.

The petition has been balloted to Mr. Commissioner Evans. Mr. Humphrey Brown was formerly a director of the Royal British Bank.

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*Court of Chancery, Lincoln's-inn, Jan. 2.—(Before the LORD CHANCELLOR and LORD JUSTICE TURNER.)*

IN BANKRUPTCY.

IN RE THE ROYAL BRITISH BANK, EX PARTE SHORN.

This was an appeal from a decision of Mr. Commissioner Holroyd, refusing the prayer of a petition presented by six of the creditors of the bank. The petition was framed under the 20th section of the statute of the 7th and 8th Victoria, cap. 111, entitled "An Act for facilitating the Winding-up of Joint-Stock Companies unable to meet their Pecuniary Engagements," and asked the Court of Bankruptcy to direct their official assignee to petition the Court of Chancery for an order to finally wind up the company, and to appoint a receiver. The clause provided that it should be lawful for the Court of Bankruptcy to direct the creditors' assignees to apply to the Court of Chancery by petition, praying that all such necessary orders and directions should be given for the winding up and settling the affairs of such company, and to compel a just contribution from all its members towards the full payment of the debts and liabilities of the company, and of the cost of its winding up, and of finally settling its affairs; and that upon the hearing of such petition, the Court of Chancery might refer it to one of the Masters to take all such accounts and make all such inquiries as should be required for the purpose of ascertaining what sum of money should be necessary to be raised by calls or contributions from the members of such company for payment of the debts and liabilities of the company, and the costs of winding up; and that the Court of Chancery, upon confirmation of the Master's report, might order the payment of the sums of money which in such report should be found necessary to be paid, and might refer it to the Master to appoint a receiver to collect and receive such sums of money, and pay the same into the bank in the name of the accountant-general, to the credit of the company, and might, upon the petition of the assignees, order such sums of money to be paid in satisfaction of the debts which by the proceedings in bankruptcy should have been found due to the creditors of the company, and all persons having claims and demands on the company, and of the costs, or might order such receiver to pay such sums of money in satisfaction of such debts, claims, and demands, and costs in the first instance.

Mr. Selwyn, in support of the appeal, after stating the various steps already taken in this unfortunate affair, and which it is quite unnecessary to repeat, said, the substantial object of the petition was to prevent a multitude of actions at law being carried on against the shareholders, and to insure an equal distribution of the assets, both of the company and of



the individual partners, among the creditors. The judgment of the Lords Justices on a recent occasion, when the case was before them on another point, plainly enunciated the law to be that the Winding-up Acts did not repeal the statute of the 7th and 8th Victoria, cap. 111. The matter, therefore, came before the Court on an undisputed adjudication of bankruptcy, and the only question was the most convenient mode of fully carrying it out. Now, by the bankruptcy, the whole of the property became vested in the assignees, but the statute gave them no power to enforce payment against the partners, except in the mode pointed out by the 20th section. Either, therefore, the funds to pay the creditors must be obtained under that clause, or the creditors must be left to their individual rights of suing the contributories. In the present case there were 6,000 creditors and 280 partners, and the question was whether there should be 6,000 actions going on against the partners, and executions issued against particular individuals, without at the same time enforcing a just contribution from all the partners.

The Lord Chancellor asked whether, in the event of the Court granting a receiver, there was anything in the statute which stayed the proceedings of the creditors.

Mr. Selwyn.—Yes, the latter part of the 20th section provided that, after the appointment of a receiver, no execution should issue without the sanction of the Court of Chancery. The amount of debts proved was £360,000; and although the assets of the company were large, it would be necessary to go to the estates of the contributories to make up the full amount to the creditors. The property of the company was estimated to pay 12s. in the pound, and the only question was how the remaining 8s. was to be raised. The Court would surely not allow the creditors to run a race to obtain payment of their debts when a summary and equitable way of raising the whole sum at once was given by the section of the act referred to. The only objection that such a proceeding appeared open to was that some of the creditors might already have obtained a priority by diligence, which the Court of Bankruptcy would not deprive them of. The Court, however, by appointing a receiver, would not deprive them of any privilege, for the 10th section only enacted that execution should not issue "without the sanction of the Court of Chancery." That sanction would no doubt be accorded in all proper cases. The essence of the bankrupt law was an equal distribution of the assets, and what was required in addition was equal contribution among the partners, or the result would be that those partners who were harassed at law would leave the country, or make away with their property, although they were quite willing to contribute their fair proportion towards the liabilities of the company. As to the objection that the receiver would supersede the official assignee, it was no such thing. He would have nothing to do with the 12s. in hand, but only proceed to collect the remaining 8s. Nor would the administration of the Court of Bankruptcy be transferred to Chancery. The object sought by the petition was manifestly for the benefit of the creditors, and therefore the application could not be considered premature, as the sooner a benefit was granted the better. The only other question was, did the winding-up order make any difference? Certainly not; for that order was nothing more than a decree made between the contributories, and doubtless the Court would give directions that accounts taken under it should be acted upon. As to whether the official manager or the official assignee, or both, should be appointed to the office, the question was merely one of form.

Mr. Hardy followed on the same side.

Sir F. Kelly (Mr. W. D. Lewis with him) said he appeared for the official manager, who had been served with a copy of the petition; and all he had



to say was that his client felt no other interest in the matter than an anxiety to conform to any order the Court might think fit to make. It would, however, be right for him to state that a call of £75 per share would in all probability be made on the 10th of the present month; and it appeared that, by the appointment of a receiver, the interests of all parties would be protected in the meantime, and a multiplicity of demand calculated to ruin the most wealthy of the contributories prevented.

The Lord Chancellor—There was no necessity to serve the official manager, and the petitioners must therefore pay him his costs.

Mr. Rolt, Mr. J. Brown (of the common law bar), and Mr. Giffard opposed the application for the assignees. The question was one raised by the contributories against the creditors, or, at any rate, was sanctioned by only five out of 6,000 creditors. The appellants had taken care to serve the official manager, to secure his interest on their side. Before the Court would think of making the order asked for by the petition it would take care to be satisfied, first, that such an order could be legally made, and, second, that it was for the benefit of the creditors that it should be made. It appeared to counsel that the assent of the creditors themselves ought in the first instance to have been obtained. They had, however, refused, and the Court might trust 5,000 creditors for knowing their own interest. They were convinced that the effect of such an order would be to give time to the shareholders desirous of so doing to get out of the way or dispose of their property. No legal order, however, could be made, on two grounds—first, because the creditors would not be stopped from going on with their proceedings at law unless prohibited by an injunction, and then they would test the validity of the order at law; and, secondly, because the 20th section of the 7th and 8th Victoria, cap. 111, had been repealed by the subsequent Winding-up Acts. If that clause had not been positively repealed, there would be two courses open for choice—one under that section, and the other under the Winding-up Acts. Now, those two remedies could not be made use of at the same time, and, as there had been a winding-up order in the present case, it was too late to ask that the 20th section of the 7th and 8th Victoria should be put into effect. It was manifest, however, that the legislature intended positively to repeal the winding-up clauses of that statute for the subsequent Winding-up Acts provided in detail for everything to be done that was specified in the 20th section of the former act. The only state of things that ought to induce the Court to make the order applied for was an offer by the contributories to pay the whole of their liabilities. It had been said that the call proposed to be shortly made of £75 per share would settle the whole questions, but such was not the fact. At the present time a call had been made by the directors of £50 per share, which the assignees were advised was a valid call, and which was now vested in them. If, therefore, the call of £75 were made, it would be disputed, and probably carried from court to court. Would not an order to stay the proceedings of creditors at law, under such circumstances, be a great hardship to them, and operate to their prejudice, by allowing the shareholders in the meantime to get rid of their property? Certainly it would; and therefore nothing short of depositing the whole money due to the creditors ought to induce the Court to make it. Should the Court, however, think such an order could be legally made, the application was premature, and ought not to be granted until the exact amount of the liabilities had been ascertained and a call made to meet them. The order would be consequential on the first part of the 20th section and only for the purposes there named.

Mr. Selwyn replied, and contended that the Winding-up Acts did not



repeal the 20th section of the 7th and 8th of Victoria, cap. 111, and that the two statutes were capable of being carried into effect at the same time.

The Lord Chancellor delivered judgment, and said that the question was one of great practical difficulty for the Court or the legislature to decide what ought to be done in such a case, where there were 6,000 persons asserting their rights on the one side and 280 resisting them on the other. It was very easy for the legislature to say what should be the actual right of the parties, but the question was how were those rights to be carried out. The point raised by the petition was whether 6,000 creditors were to be entitled to take out execution at law, or this Court was to authorise the appointment of a receiver, and thereby stop the legal proceedings. Now, in general, courts of equity were in favour of debts being paid rateably, and in all cases where they could they took hold of the property and administered it in that way. The case was, however, different where, like the present, the Court had no power of getting hold of the property, and therefore the principle did not apply. Looking at the case in this way, it was right to see what was the effect of the different statutes referred to. The act of the 7th and 8th Victoria was the first statute enabling joint-stock companies to be made bankrupt. The bankruptcy did not only extend to the property belonging to the company, but also reached the property of each individual shareholder. The 10th section, therefore, provided that nothing contained in the act should prevent any creditor from recovering judgment and execution on his debt, in the same way as if there had been no bankruptcy. The legislature contemplated that after the property of the company had been exhausted, each of the shareholders should be liable, and accordingly introduced the 20th section. His lordship read the section, and said his opinion was that, even if the Winding-up Acts had not been passed, no such order as the one asked could be made until the entire liabilities had been ascertained, and a call made which would produce 20s. in the pound. Until that had been done he could see no justice in restraining the creditors from pursuing their legal rights, and that seemed to be the view of the legislature. Such being the case, no call had yet been made, nor did he see how any satisfactory call could be made, and therefore it was not competent for the Court to grant the order asked. This was looking at the matter as if there had been no other statute than the one of the 7th and 8th Victoria. It had, however, been followed by the Winding-up Acts, one object of which was to amend that very statute. Now, the preamble of the last act set forth, *inter alia*, that it was to facilitate the winding up of companies, and the three clauses in the 7th and 8th Victoria directed to that object were the 20th, 21st, and 22nd. The Winding-up Acts in an elaborate way provided for the carrying out of the same objects as those mentioned in the 20th section of the 7th and 8th Victoria, and the plain meaning appeared to be that that section and the two following ones were there repealed. Without, however, deciding the question of repeal, several orders had been made under the Winding-up Acts, giving certain rights and imposing certain duties on the contributors, and therefore it was not now competent for this Court to make another winding-up order, for the petition did not ask for the appointment of a receiver *per se*. He would have been too glad to be able to make an order by which the inconvenience and scandal of so great a rush of executions might have been avoided, but it was not possible to be done upon the present petition. It must therefore be dismissed; but as the question was one of considerable importance, it would be dismissed without costs.

Lord Justice Turner, in concurring with the decision of the Lord Chancellor, said he had been most desirous, when the case was before him and



the Lord Justice Knight Bruce, a short time back, to put an end to the litigation, but it was clear that it could not be done upon the present petition. Without expressing any opinion whether a portion of the 7th and 8th Victoria had been repealed by the Winding-up Acts, or had been incorporated with them, he thought that the appointment of receiver, mentioned in the 20th section of the 7th and 8th Victoria, could only be made to get in the money previously ordered by the Court to be collected, as mentioned in the earlier part of that clause. No such order had been made in the present case, and therefore the petition must be dismissed.

The court did not rise until past 7 o'clock.

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*Court of Bankruptcy, Basinghall-street, Jan. 9.—(Before Mr. Commissioner EVANS.)*

IN RE HUMPHREY BROWN, M.P.

This was a petition to annul the adjudication of bankruptcy against Mr. Brown.

Mr. Roxburgh, instructed by Mr. Tucker, appeared for Mr. Brown; Mr. Joseph Brown, instructed by Messrs. Linklater and Hackwood, appeared for the petitioning creditors, the assignees of the Royal British Bank, in support of the adjudication.

Mr. Roxburgh having stated that he admitted nothing—neither the petitioning creditors' debt, nor the act of bankruptcy,

Mr. Wyatt, a clerk of the Royal British Bank, was called, who deposed that he had kept the pass-book produced of Mr. Brown's account. It was made up from Mr. Brown's cheques. The last date at which Mr. Brown drew any cheques upon the bank was July 31, 1856, for £628. The last time he paid in anything to the credit of his account was on the 22nd August, 1856, when he paid in some bills. The bank closed its doors on the 3rd September. The amount in the pass-book as due to the bank at the time of the stoppage was £37,997 18s. 3d. That debt was exclusive of a security account, of which he knew nothing.

In reply to Mr. Roxburgh, the witness said the credits were made up from Mr. Brown's slips, as placed on a file. If any of those slips had been lost off the file, they would not appear in the pass-book.

It appeared from further evidence that the last time Mr. Brown had admitted the accuracy of the pass-book was on the 25th February, 1855, when he affixed the signature "H. B." in the book produced. Mr. Brown had had the pass-book as lately as the 29th November, 1855. The credits in the pass-book produced were made from Mr. Brown's own slips, whom he had not seen since the beginning of 1856.

Mr. Norcutt, solicitor, objected to answer certain questions touching an action that had been brought against Mr. Brown. He had only acted in the matter as agent for another solicitor. His clerk had absconded, and he wished to be released from attendance to-day as soon as possible.

Mr. Linklater said it was clear that every possible difficulty would be raised to the adjudication. To prosecute it successfully would probably occupy six weeks, and occasion an expenditure of £200. Four important witnesses, whose evidence was desired to-day, kept out of the way. Mr. Brown was not to be found. Two persons, builders, named Chandler, to whom he gave bills of sale, had left the place to avoid the service of summonses. Others had done the same, and he would prefer abandoning the present petition and obtaining an adjudication on the debts of another creditor. This could be obtained at a cost of £20, and with but little delay.



Mr. Brown said the fact was, Mr. Brown's debt to the bank, after giving credit for the securities held, was nearly double the amount that had been already given in evidence.

Mr. Tucker said he must deny that a debt existed at all.

Mr. Linklater gave the name of a client to whom Mr. Brown was indebted upwards of £3,000.

Mr. Tucker denied that such a debt existed.

Mr. Linklater.—It is as I have stated. There are also debts due to other parties than the bank. Mr. Brown, by resisting this petition, is only putting off the evil day.

Mr. Roxburgh asked for costs.

Mr. Linklater objected, and mentioned several circumstances in order to show that the opposition to the adjudication was not of a character to entitle Mr. Brown to costs.

His Honour said, the petitioning creditors' debt had been satisfactorily proved, and he would make no order for costs.

The adjudication was then annulled.

*(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

Mr. Roxburgh, on behalf of Mr. Humphrey Brown, who was desirous to annul the adjudication of bankruptcy against the bank, said he wished to present a petition with that object. A similar petition had been presented by Mr. Marcus, but he trusted this would be more successful. He asked the Court to name a day for the petition to be heard. He presumed the Court would afford every facility for a petition to be brought before another tribunal, and if a day were now fixed the petition could be presented in twenty-four hours.

The Commissioner.—The first thing to do is to present a petition.

Mr. Roxburgh.—Am I to understand, your Honour, that as soon as a petition is presented, the application for a day of hearing will be granted?

His Honour.—Yes. You may present your petition and take the order as of this day.

*Court of Bankruptcy, Basinghall-street, Jan. 12—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

This was a meeting calling upon various shareholders to show cause why they refused to pay the amount of a call of £50 per share to the official assignee of this Court.

Mr. Bagley, instructed by Mr. Linklater, appeared for the assignees.

Mr. Mills, a clerk in the London and North-Western Railway Company, was the first person called. It appeared from his examination that he was the holder of six shares. He was also a creditor of the bank for £490, being the amount of a deposit account at the time of the stoppage. A call of £75 had been made by the official manager. A call of £50 per share had also been made by the official assignee of this Court. A few days after the bank stopped the directors had made a call, or passed a resolution of their intention to make a call, of £50 per share. He was willing that the official assignee should be paid £300, the amount of that call, out of the £490 (the amount of his deposit), provided he were satisfied of the validity



of the claim. He did not wish to give any trouble, and felt that he could hardly be considered a debtor to the bank. He was obliged to take the course he did, not knowing in the present position of affairs which call was valid. He was compelled to dispute the call, without wishing to do so. He was so confounded that he did not know what course he ought to take, which call ought to be paid, or to whom he ought to pay it. He was ready to pay the amount if this could be ascertained. He had earned the amount paid for the shares by his own industry, and his case was a very hard one.

Mr. Bagley—Unfortunately there are many such cases.

Mr. Adolphus Schermann, examined, said he was unfortunately the holder of ten of the new shares, which he had been induced to take by fraud.

Mr. Bagley—We will go into that by-and-by.

The witness said he had taken the shares on the 17th of May, 1855. The manager (Mr. Cameron) and also Mr. Crawford, the secretary of the bank, had represented the bank to be in a flourishing condition, and that it would pay upwards of 6 per cent. He had received two dividends, and had made an offer to Mr. Linklater of £100 if they would give him a release altogether. He had also said something to the effect that if the £100 were not thus accepted, that sum would do to take him through the Court. He did not think he was a shareholder, because the bank could not issue shares after it was insolvent.

Mr. Bagley—Have you made away with any property since the offer of £100 was made?

Mr. Schermann's solicitor objected, and

The Commissioner thought it immaterial that the question should be pressed.

Examination continued—Was not prepared now to pay the call of £50 per share; first, because he was not in a position to pay the amount, or any part of it; and, second, because he had been induced to take the shares by the misrepresentations named. He was not a creditor of the bank, if a check for £70, which he gave shortly before the bank stopped payment, was paid.

Mr. James Bran, examined, said he was unfortunately the holder of fifty shares in the bank, forty-nine of which were the supplementary shares. He had signed what he supposed was the deed of the company—a piece of parchment was produced and he signed it. Had received the dividend warrants on the shares. Was not prepared to pay the call of £50 per share on his fifty shares. He was only a poor jobbing master carpenter, and had not the means to pay so large a sum. Should be glad to pay it if he had the means. Would pay as far as he was able. Might perhaps pay £500 in a month or so, if his friends would assist him. He would see what he could do, and make a proposal to Messrs. Linklater in the course of a few days.

Mr. Lea, of Alfred-cottages, Canonbury-road, Islington, said he was formerly a cheesemonger, but was not now in any business. He was the holder of five shares in the bank, dated the 1st of October, 1855, and had received two dividends on those shares. Was not prepared to pay the call of £50 per share. His circumstances were not such as to enable him to pay it. He had friends who would endeavour to make up a small sum, but he was not at present able to make any offer.

Mr. Thomas Dunn, ropemaker, of 39, Peter's-road, Mile-end, examined, said he was holder of two shares only, which he had received since March, 1855. He disputed his liability on those shares, and his case had been brought before the Vice-Chancellor, whose clerk told him that his name would not be placed on the list of contributories. He had been told that



he had taken the shares by exceedingly false and wicked pretences, and if ever there was a case of fraud this was one. The Vice-Chancellor, he was told, would not declare him a contributory. Instead of being a debtor, he therefore considered himself as a creditor of the bank for these shares. He had not paid the call of £50 per share, or any part of it. Should the Court declare him a contributory, he was prepared to pay the amount. Mr. De Metz, solicitor for the official manager, had told him that if he paid this call of £50 per share, he would compel him to pay it again.

The Commissioner suggested that if Mr. Dunn could establish any particular case of fraud, it might be well for him now to state his case.

Mr. Dunn said that he had a balance of £250 at the bank. He was at that time assured by a person whom he supposed to be the manager of the bank, in the private boardroom, that if shares were taken it would be impossible to lose more than one quarter of the subscribed capital under any circumstances. The charter precluded this. Upon his objecting to take any shares, and saying that he preferred having the amount as a deposit, his attention was called to one of the reports of the bank, and representations were made that it was a most flourishing concern; that there could not be a better investment; that he would not only get 6 per cent., but 10 per cent., or the same rate paid by other banks in the neighbourhood, specifying particularly the London and Westminster Bank. He had since received two dividends of 6 per cent.

Mr. Dixey was the next shareholder called. He was employed in a fire-office and was the holder of two original shares and eight supplemental shares. Had paid £400 for the latter shares so recently as April last. Had received dividends on his shares. The call of £50 per share had not been paid, he having nothing to pay it with, being quite insolvent. He considered himself a creditor for the £400 paid for the new shares, but was not otherwise a creditor of the bank.

Mr. Alfred Doery, fishmonger, said he was the holder of two original shares and eight of the supplemental shares. He had received a notice of the call of £50 per share. Had not paid that call, and was not able to do so, or to make any offer.

Mr. Thomas Martin, of 2, Hamilton-place, Brixton-road, clerk to a linendraper, the holder of three original shares, disputed his liability on the ground that he had been induced to purchase them by fraud. Mr. Crawford had made false representations to him, and Mr. Gilbank, also an officer of the bank, had represented to him that the bank was in a flourishing position. The reason he held the original shares was this:—He applied for two shares, when Mr. Crawford told him that there were only three shares to be had. These were the shares of a friend, and he understood that friend to be Mr. Empson. He subsequently received the three shares. Mr. Empson had since stated that he had never been the holder of a single share in the bank. Had received the dividend warrants of the bank, but he disputed his liability on the ground of false representations. He had not paid the call of £50 per share. He was not in a position to do so.

An adjournment was ordered.

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*Court of Bankruptcy, Basinghall-street, Jan. 13.—(Before Mr. Commissioner HOLBOYD.)*

IN RE THE ROYAL BRITISH BANK.

A petition to annul the adjudication of bankruptcy against the bank was this day presented by Messrs. Tucker, on behalf of Mr. Humphrey Brown,



M.P. The petition was appointed to be heard on the 21st instant. The only new point alleged by the petitioner is that the adjudication was obtained by fraud.

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*Court of Bankruptcy, Basinghall-street, Jan. 14.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

This was a sitting to hear a petition on the part of Mr. Michael Banes, warehouseman.

Mr. Joseph Brown (instructed by Mr. Linklater) appeared for the assignees; Mr. Aspland (by Mr. Read) [Read, Langford, and Co.] appeared for the petitioner.

Prior to the case being called on,

Mr. Gant, on behalf of a creditor, applied for an order to be allowed to inspect the deed of settlement of the bank, in the possession of the assignees.

Mr. Linklater—Mr. Gant, your Honour, is suing an individual shareholder for a creditor, and has proceeded to obtain an adjudication of bankruptcy against him. He has applied to me on behalf of his client, a creditor, to be at liberty to refer to the original deed of settlement and the register of shares, for the purpose of seeing who is the attesting witness. It seems to be my duty to resist any such proceeding on the part of the creditors and assignees, because we desire that no individual shareholder should be singled out by an individual creditor; but we are desirous of proceeding for the public good, and therefore we think that it would not be right so allow Mr. Gant to do what he asks. And more particularly the assignees now desire to resist this application, because they are in communication with the solicitors for the purpose of getting up some speedy way by which a large fund may be raised, so that we may be able to put an end to all litigation, and raise such an amount as shall satisfy all the claims of the creditors by compromise. Under these circumstances I feel myself bound to resist this application; but I am in the hands of the Court, and if the Court should think it right for us to produce it, we will produce it immediately; but, otherwise, we must leave Mr. Gant to pursue his ordinary remedy in the best way he can.

Mr. Gant—If I stop till Mr. Linklater produces it I shall certainly then know, but then it will be too late. I want to know who is the attesting witness to the deed, so that I may have an opportunity, when the matter comes before Mr. Commissioner Evans, to summon the witness to prove the alleged bankruptcy. It is certainly discourteous on the part of my friend to refuse, and it is the first time that he has refused assistance to another professional man. I am sure, in furtherance of justice, that your Honour will consider that I should have liberty to inspect the deed.

The Commissioner—It appears to me if the other side is not willing to consent to it, that I must follow the ordinary rule; that is, where creditors are taking proceedings which may be considered adverse under the bankruptcy, and taking proceedings for their own benefit, ultra of the bankruptcy as it were, that they are not at liberty and are not entitled to come and demand any advantage or assistance under the bankruptcy.

Mr. Gant—It is not quite so, because my client has claimed under this bankruptcy.

The Commissioner—You are taking now a proceeding for your own benefit ultra the bankruptcy—something beyond the bankruptcy; and it is



with a view to that proceeding that you want assistance. That being so, I must leave you to take the ordinary course.

Mr. Aspland said, that for some years prior to October, 1855, Mr. Banes kept a drawing account at the bank. In October, 1855, he also opened a discount account. All applicants for a discount account were required to sign an undertaking to keep cash at the bank to the amount of one-fourth that of the bills discounted. On three occasions only, and those only for a day or two, and by special permission, had there been a less amount of cash at the bank than this one-fourth. At the stoppage of the bank, there was a cash balance in Mr. Banes's favour of £503, the bank being the holder of certain bills. The assignees claimed a right to sue Mr. Banes and other parties whose names were on the bills, and that Mr. Banes must prove for the balance in his hands like any other creditor. Mr. Banes prayed that the bank, having applied from the cash balance a sum of £166, as required for the full liquidation of its claims upon the bills, the said bills might be given up to him, and that the Court would make an order that no action be brought on their account. Mr. Banes would then prove for the smaller instead of the larger balance. Mr. Aspland contended that it would shock common sense if Mr. Banes were not thus allowed a set-off.

It appeared, from the examination of Mr. Banes, that on three or four occasions only had he overdrawn the one-fourth referred to by Mr. Aspland; but, according to the books of the bank now produced, those occasions had been 17 or 18 in number. Two-thirds of those occasions were errors on the part of the bank in keeping its accounts. He found, however, that there might have been a dozen instances in which he had thus overdrawn, but, except in three or four of those instances, they were for hours only, not days. At an interview, the manager of the bank had led him to expect that the rule in respect to the one-fourth would not be strictly enforced. £20 was the largest amount he had ever overdrawn. Writs have been served upon some of the acceptors of the bills by the solicitor for the official manager. Mr. Linklater had also written to them in strong terms. They were more frightened by Mr. Linklater's letter than by the official manager's writs, as they thought Mr. Linklater was in earnest. In several cases, he had requested the parties sued to pay the amount to him, as it would be of advantage to him to place the amount as a set-off. The bank had expressed its willingness that he should discount to the amount of £2,000, and he had generally kept a cash balance of from £500 to £700, although it might three or four times have been less than one-fourth the amount of bills under discount as already stated.

Mr. Brown said this was a very important question, the amount of the bills similarly placed being little short of £30,000. It was a case that must have occurred many hundred times on the occasion of the failure of banks, and the Court would require some strong authorities before it granted the prayer of the petition. One case only had, however, been cited in support of the petition. There was one short and conclusive answer to the petitioner's case, that the bills had been dishonoured at his own request, and with a distinct understanding with the acceptors. It was clear that Mr. Banes had been in communication with the acceptors whether they should pay the amount or not. He said he might have told them that they might dishonour the bills if they liked, but he had not requested them to do so. It was not difficult to judge of the effect of such suggestions to the acceptors. Mr. Banes, however, had actually received payment of some of the bills to the amount of £120. It was impossible for any man of business to doubt that these bills had been dishonoured by an understanding,



and this was a violation of the terms of the agreement. By discounting the bills the bank became their owner, and, this being so, if, after that, Mr. Banes went to the acceptors and suggested the dishonour of the bills, there was a clear violation of contract. It was a maxim of law that no man should take advantage of his own wrong. If the precedent sought to be established in this case should be allowed, they would have every depositor in a bank going to the acceptors of bills, and by that means obtain payment of their deposits in full, to the prejudice of the general body of creditors. Mr. Brown proceeded to cite *Giles v. Perkins*, *Carstairs v. Barnes*, *Whitehead v. Walker* (10 Meason and Welsby), and numerous other cases, and concluded by submitting that the prayer of the petition must be refused.

Mr. Aspland replied, in the course of his reply urging that the probable solution of one case only having been reported what he relied upon was that the hardship of such a course being taken by the assignee of a bankrupt had prevented cases of the kind becoming of frequent occurrence.

The Commissioner—I think in this case if Mr. Banes, the drawer of these bills, had been the party who was meant to provide for them, the case of *Ex parte Hippens* would have been a clear authority in favour of the prayer of this petition. That not being the case, it really seems to me that the case must be governed more by *Ex parte Burton*, upon which I will make one or two observations, and which I think has been confirmed by another case. With respect to the observation of the learned counsel, Mr. Brown, as to the charge of collusion between Mr. Banes, the drawer of the bills, with the acceptors, it does not appear to me, upon the evidence adduced before the Court, that I should be justified in saying that there was any collusion. Perhaps it might have been better if Mr. Banes had withheld altogether communication with the acceptors, and said nothing at all about it; but still I cannot consider that what he has said would operate upon the minds of the acceptors so as to induce them to refuse payment of the bills with the view of benefiting Mr. Banes, the drawer. Therefore it appears to me that the question resolves itself simply into this, whether Mr. Banes, the petitioner, having a drawing account with the Royal British Bank, and having also a discount account, is entitled now to have the bills which have remained unpaid delivered up to him, and to have the benefit of the cash balance in his favour with the bank taken into consideration in order to discharge the amount of those bills. Now it appears to me, upon the best consideration that I can give to this case, and having regard to the law of merchants with respect to bills of exchange and discounters of bills of exchange, that that right does not exist in a case of this sort, where the bills are bills accepted for value. I feel bound myself to say so, independently of principle, by the case of *Ex parte Burton* taken in connection with the observations upon that case which were made by the Lord Chancellor in another case. The case of *Ex parte Burton* itself is unfortunately reported in a very meagre way, not at all satisfactory; but, at the same time, it appears with sufficient clearness to ascertain this, that the petition was presented both by the drawer and acceptor of certain bills, the drawer having a banking account with certain bankers who had discounted the bills in question; and the petition was presented to the Court by the drawer and acceptor to have the bills delivered up, and to have the benefit of the cash balance with the view of discharging those bills, and that petition was dismissed. It is quite true, it is stated, that the question was asked what business have the acceptors here, and allusion is also made to the remedy by injunction. It was said an end would be put to all suits for injunctions against assignees, if relief were given in the way sought.



But when the case is commented upon in *Ex parte Hippens* the Lord Chancellor desires the minutes to be referred to with regard to that case, because, from the report, he could not ascertain whether the bills were accepted for value or not. He desired the secretary's book to be referred to; and on a subsequent day the Lord Chancellor says,—“The case of *Ex parte Burton* did not bear upon the present question, as upon an examination of the secretary's book it appears that it was not an acceptance for accommodation.” That seems to lead to the inference that, it not being an acceptance for accommodation, the Lord Chancellor did not quarrel with the decision of that case, which he would have done if it had been an acceptance for accommodation. Then, with respect to the observation lastly made by Mr. Aspland, with the view of making it a case of mutual credit, it appears to me that it can hardly come to that, for this reason, that I do not see what the mutual credit is as between the drawer and the Bank with reference to the prayer of this petition. If the drawer were the party who was asking to be made liable, then there would be a mutual credit. It might be a mutual credit given by the bank to the drawer, who discounted these bills as drawer, and there was credit given by Mr. Banes in the money he deposited with the bank. Now, upon this subject, I think there is a case which appears to me to bear upon it; it is a case, also under a bankruptcy, of *Holland and others, assignees of Mr. Marsh and others, bankrupts, v. Nash*. That is reported in the 8th Barnwell and Cresswell, page 105. That seems to me to be applicable to the present case, because here, who were the debtors upon the bills? Various acceptors. The bills are accepted for value, and the acceptors were bound to meet these bills, as they were the debtors upon the bills. Then Mr. Banes was the drawer, and he, having money in the Royal British Bank, endeavours by this petition to transfer his right against the bank to the acceptors of these bills, or to get the benefit of them himself by having the bills delivered up to him. It seems to me that to decide this petition in favour of the petitioner would be really putting bill discounters very much upon the footing of bills deposited, and therefore, upon the whole, I feel bound to say that, in my opinion, the bank has a right to require payment of these bills from the acceptors, and to leave Mr. Banes to take such course as he may be advised with regard to the drawing account. I ought to make one or two observations with regard to the cases cited by Mr. Aspland. The first was *Ex parte Sollett*. It does not appear that that case bears at all upon the present. It was an action for money had and received against the factor. The factor was entitled to credit for payments he had properly made, but he handed over the rest to the principal, and pleaded a set-off. As regards the other observation, with respect to the marshalling assets, and the rule in equity that where one party has two funds to go against, and the other party has only one fund, that the one having two to go against, and the other having one to go against, and against which the other has no claim, that applies to cases where there are two creditors against the same debtor—two creditors against one debtor—and there being two properties against which one creditor may go, and only one against which the other may go. Here I do not see the two creditors, as Mr. Aspland inferred, meant that the drawer was to be taken as one creditor of the acceptor, and the Royal British Bank was to be taken as the other creditor of the acceptor; but the drawer having parted with these bills by way of discount, I do not think he can be looked upon as standing in that position at all.

Mr. Brown—It has been intimated to me that your Honour's judgment will be final in this matter, and under those circumstances I will not press for costs. The petition will be dismissed without costs.



The Commissioner.—As far as I am concerned, I do not invite appeal; I do not wish my judgment to be final.

Mr. Linklater.—It is very important to the assignees in this case that your Honour's judgment should be final.

Mr. Brown.—The parties who have hitherto been dissatisfied with the opinion of this Court have not gained much by appealing, if one may judge from what has taken place before. The petition will be dismissed without costs; but if other petitions are presented on similar grounds, then we should ask for the costs.

Mr. Reed.—It is of much greater importance to the bank than to us; it is not of any very great importance to us.

The Commissioner.—The principle is important to all persons in the position of bill discounters and bankers who may fail.

Mr. Linklater.—No doubt.

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THE SUMMONSES AGAINST SHAREHOLDERS.

There was a further hearing in reference to the summonses calling upon various shareholders of the bank to show cause why they refused to pay the call of £50 per share, as made by the directors of the bank after its stoppage. The inquiry had proceeded some time when Mr. Linklater entered the room and made an application that the proceedings might be "private." The assignees were desirous to maintain their rights at the costs of only the least possible pain and injury to the unfortunate shareholders. It was found that the publication of the proceedings had inflicted unnecessary pain upon the shareholders examined, and had been otherwise prejudicial. Many shareholders were quite willing to pay up the calls, but the publication of their names and position inflicted a serious injury upon their credit. It was felt that if continued it might prove injurious in various other respects, including that of raising an obstacle to the collection of the fund by the shareholders which was now being attempted with a view to the settlement of all claims upon the bank.

The Commissioner suggested that the publication might be continued, the press withholding the names of the shareholders summoned.

Mr. Linklater did not think that would sufficiently meet the case, and

His Honour acceded to the application.

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*Court of Bankruptcy, Basinghall-street, Jan. 19.—(Before Mr. Commissioner HOLBOYD.)*

IN RE THE ROYAL BRITISH BANK.

This was an adjourned hearing of the opposition of certain new shareholders, that they might be allowed to prove against the estate for all moneys paid on account of their shares.

Mr. Joseph Browne, instructed by Mr. Linklater, appeared for the assignees; Mr. Mellish, instructed by Messrs. Sharpe, Field, and Jackson, appeared for the shareholders.

Mr. Joseph Marsh, examined, said he was a commander in the navy. In 1852 he saw advertisements in the papers of the Royal British Bank offering advantages. At the end of 1852 he saw Mr. Cameron at the bank. Mr. Cameron said he could not select a better security for his money, and he gave him all the reports of the bank published up to that time. The reports in his hand were the copies received from Mr. Cameron. Mr. Cameron produced the charter of the company, read it, and it was stated



that he could not, under the term of the charters, lose more than one-fourth of his capital.

The clause in the charter referred to, and which has been so often published, having been read,

Mr. Marsh said, that he thought there was a protection in the charter. He shortly after this interview (about June, 1853) deposited £800 in the bank, which was to be applied to the purchase of shares, and by December, 1853, he had made up the amount £1,000, thus completing the sum necessary for the purchase of 20 shares. He had subsequently received various reports of the bank. The first report was dated the 1st of February, 1855, and a new charter was obtained on the 23rd of February, 1855. He had subsequently to this signed the deeds of the company as a shareholder. When he had signed "the parchment thing" sent to him, he received the certificate produced of his being the holder of the 20 shares. He continued to receive the reports up to the time of the failure. The reports were enclosed in large envelopes, to which were affixed seals of great magnitude. But for those reports he would not have permitted himself to be robbed and plundered by the directors. He could not but thus express himself, as he felt that he had been grievously robbed. He was present at a meeting in September, 1856, when various directors were present, and Mr. Coleman had made a report of the position of the bank. Had not received a copy of that report. Considering the rascally manner in which he had been swindled, he felt that he was entitled to one.

Mr. James Edward Coleman said he was an accountant. In September last he was employed by the directors to make up a statement of the affairs of the bank from its commencement to its stoppage. Mr. Stapleton and Mr. Kennedy were the directors who first gave him instructions.

Mr. Mellish, having put in the minutes of the meeting of directors authorising Mr. Coleman to prepare his report,

Mr. Coleman stated that the figures in the *Banking Almanac*, for 1857, comprised a correct statement of his report. The whole of the part of the report that referred to the property and general assets of the bank was prepared by himself. He depended upon his clerks in the preparation of some parts of the accounts, but he tested the accuracy of those parts. It was from his statement of the debtors to the bank that the official assignee was now collecting assets.

Mr. Browne said, he would not resist the evidence contained in Mr. Coleman's statement, on the ground that part of it was prepared by his clerks, but he must have time to examine its accuracy.

Mr. Coleman, in continuation, said his valuation of the assets of the bank was "within the mark," rather than otherwise, *i.e.*, it was made on a low scale. Had attended a meeting of directors and others at the London Tavern on the 20th September, 1856, and made the statement contained in the daily papers.

Mr. Mellish said, the directors had admitted the accuracy of Mr. Coleman's statements.

Mr. Coleman's examination continued.—Had inspected the previous report of the directors from the commencement of the bank. Had no doubt those reports were incorrect, but was not prepared to say the extent of the inaccuracy. His (Mr. Coleman's) reports now would be somewhat different to those of September, 1856. The value of assets changed from time to time.

Mr. Browne submitted that Mr. Mellish must point out the specific misrepresentations in the reports of the directors upon which he relied.

Mr. Mellish referred to a statement that the debts and liabilities of the bank were £540,000, and the manner in which Mr. Coleman had endeavoured



voured to account for the losses (£270,000) from time to time. The first loss of £13,640 by a director had occurred between 1850 and 1855, the said director having retired in 1851. The next loss by a director (MacGregor, M.P.) of £7,362 had occurred at the time stated.—The loss by Humphrey Brown, M.P., a director, joined with three other parties, had been £70,809; the loss by Oliver, of Liverpool, was £13,800; by Cameron, the manager of the bank, £29,902. Altogether the amount lost by directors and officers of the bank had been £123,000, and the difference between that sum and £270,000 (the total losses) had been made as stated.

Mr. Mellish said, the directors had admitted the accuracy of Mr. Coleman's statements in September and December last. Mr. Coleman had stated that the directors should never have made a dividend at all. He came to this conclusion from dissecting the profit and loss account.

Mr. Coleman, further examined, adhered to this statement. Interest, for instance, had been charged and taken credit for on account of the Cefn Ironworks and Oliver's account after he had failed. The assets included "good bills"—some of these bills being due as far back as 1850. The writing off of bad debts had amounted altogether to a sum of between £4,000 and £5,000. He could not state the amount of bad debts that ought to have been written off. It was something considerable. Had rather not make an attempt to state the amount. In a report published by the directors in reference to the bank having assets to the amount of upwards of £800,000, there were errors.

Mr. George Anderson, examined, said he was a clerk in the Royal British Bank three years and a-half. He kept a book of past due bills. The book produced contained a summary of those bills up to February 9, 1855; the total amount of past due bills at the head office was £101,692. None of these bills had been written off as bad. They extended from 1850 to February, 1855. With a little trouble he could ascertain the amount in each year from 1850 to February, 1855, of the past due bills.

Mr. Mellish said, Mr. Browne preferred cross-examining the witnesses after the whole of the depositions had been given, and it would be convenient if an adjournment were now taken.

Mr. Browne suggested that, before the adjournment took place, he should have specific particulars of the misrepresentations relied on.

Mr. Mellish undertook to furnish the required particulars.

Mr. Browne said, there were three cases pending before three superior courts (Chancery and common law) so far analogous to the present that it might be desirable to have a decision in one or more of them before the present inquiry should be resumed. He suggested an adjournment for a fortnight with this view.

The Commissioner observed that he would grant the adjournment on the understanding that the pending claims were not to be allowed in any way to interfere with any dividend in the meantime.

Mr. Linklater said, Mr. Field was prepared to give this undertaking. Mr. Field had had a full run of the bank premises, in order to obtain any information he might require.

The Commissioner observed that the petitioners had some very up-hill work before them, and that it would require much more evidence than that already given to establish their claim. How could the fact, if established, of their having been deceived by the reports referred to, get rid of their liability to third parties?

Mr. Mellish would at present confine himself to their right to have refunded the money paid for their shares. The question, however, arose, if his Honour had a very strong opinion upon the case, whether it might



not be desirable to avoid further expense, and be in a position the sooner to appeal to the Lords Justices?

The Commissioner thought that mere general allegations, showing gross mismanagement and misstatements to the public generally, would not suffice to sustain the case of the petitioners.

Mr. Browne doubted whether it could be shown that the directors had wilfully misrepresented the position of the bank. It might be that they had been deceived as well as the shareholders.

His Honour said, as far as the case had gone, he held a very strong opinion, and it would require much further evidence to strengthen the case of the petitioners. He would, however, order an adjournment on the condition already mentioned.

Adjourned accordingly.

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*Court of Bankruptcy, Basinghall-street, Tuesday, Jan. 20.—(Before Mr. Commissioner HOLROYD.)*

IN RE ROYAL BRITISH BANK.

This was an audit meeting. It was stated that the assets in hand will suffice to pay a dividend of 5s. 6d. in the pound on the new proofs. An arrangement is said to have been made in respect to Mr. Humphrey Brown's petition to annul the bankruptcy against the bank, and that it will not be brought on to-morrow, as appointed.

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*Court of Bankruptcy Basinghall-street, Jan. 21.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK..

Mr. Linklater—Will your Honour allow me to mention that a petition was appointed to be heard this morning on the part of Mr. Humphrey Brown, for the purpose of annulling the adjudication? The account between Mr. Brown and the bank is one of a very complicated and voluminous character, involving very many details; and the assignees, acting under the sanction of the Court, have considered it advisable that that account shall be at once made the subject of arbitration in order that the enormous expense of litigation and legal proceedings may be avoided, and with the view also of enabling Mr. Brown to do that which he has kindly promised to do, namely—aid the assignees in the realisation of their securities, and also give other valuable information, by which the estate will be very materially benefited. Your Honour has been pleased to sanction that course, and of course Mr. Brown has no further object in the prosecution of such a petition as this. Mr. Greville, who appears on his behalf, therefore abandons this petition and desires to withdraw it, and I, on the part of the assignees, am content that it shall be dismissed without costs. There is one matter to which I might take the liberty of referring, and that is the introduction into this petition of the term "fraud" with reference to the adjudication. There is an allegation in this petition that the adjudication was obtained in fraud. Sir, undoubtedly that is an introduction which I am happy to say is not attributable to the solicitors who presented this petition, but rather, I believe, to the counsel who drew it, and that it was introduced without instructions. I take this opportunity of mentioning it because Messrs. Tucker and Co., who presented this petition, the moment they found that was considered to be an objectionable term, wrote to me long before the arrangement was made with Mr. Humphrey Brown, inti-



mating their regret that that term had been introduced into the petition, stating that it had been hastily prepared, and asking that they might be permitted to withdraw it; to which I readily assented, and of course it was withdrawn. I only regret that even in the haste of the preparation of the petition such a term should have been used. If it had not been withdrawn I should have felt it my duty to challenge an enquiry why such a charge of fraud had been introduced. However, I am glad to say all the differences between Mr. Humphrey Brown and the assignees are at an end, and I believe the arrangements which have been made will redound not only to the credit of Mr. Humphrey Brown, but to the advantage of the estate.

Mr. Greville—Sir, I appear for Mr. Humphrey Brown in this case, and I have great pleasure in stating that matters have been substantially arranged between Mr. Humphrey Brown and the assignees; and I am confident that course will be most to the interest of all parties. The accounts between Mr. Brown and the bank are of a most voluminous character, and the securities which the bank hold will be better realized by the assistance of Mr. Brown. I believe he can render the most efficient assistance to the bank, not only in that respect, but in the affairs generally. With regard to the introduction of the charge of fraud into the petition to which Mr. Linklater has alluded, the fact he has stated is correct, and I am sorry it was introduced, as I always regret any personal matter being introduced into matters of this important character. I believe Mr. Linklater is quite satisfied with the charge being withdrawn, and we stand, as we always hope to stand, on friendly relations together.

The Commissioner—Then the petition will be dismissed without costs.

Mr. Linklater—Without costs.

The Commissioner—I think that it is a liberal course to take on the part of the assignees, in consequence of what has been mentioned with regard to the allegation of fraud.

Mr. Greville—No doubt, sir.

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#### THE HALF-YEARLY MEETINGS.

WHEN the suspension of the Royal British Bank was announced, there was a great disposition to comment on the progress and prospects of the other joint-stock banks. It was, in fact, said that the best of them would feel the blow, and that the younger and less wealthy establishments would be irretrievably injured. The public, who had scarcely recovered from the shock of the failure of the Tipperary Bank when this second disaster was announced, naturally became alarmed, and the deposits in some of the banks were considerably reduced, while the value of shares generally experienced a depreciation.

With the lapse of a few months, fortunately, confidence has been partially restored; and although some of the smaller banks have still to struggle against the strong prejudice created, the effect has not been so fatal as was expected. It is hardly requisite, perhaps, to appeal to the balance-sheet and reports of



the London Joint-Stock and the London and Westminster Banks to illustrate the position which the principal establishments continue to maintain, and the dividends at the rate of 25½ per cent. in one case, and 17 per cent. in the other, the legitimacy of which is guaranteed by the character and station of the respective directors, will furnish sound evidence of their prosperity. The City Bank and the Bank of London have presented their reports and declared dividends at the rate of 5 per cent. per annum, leaving the question of the distribution of surplus profits to be dealt with at the conclusion of the financial year. As two of the recently-established banks, the progress their affairs exhibit is satisfactory, and prudent management and caution will eventually place them in a favourable position.

The Union Bank of London and the Commercial Bank have each declared their interim dividends, but no meetings are held until the middle of the year. It is nevertheless believed that the former establishment is making encouraging profits, and that the latter is gradually recovering from the severe pressure it recently experienced through ill-founded rumours. With respect to the Unity Mutual Joint-Stock Bank, and the Western Bank of London, we shall be anxious to see their accounts, and hope that it will be our good fortune to have to congratulate the directors on their success, particularly as the period when they commenced active operations was not altogether auspicious.

The question raised at the London and Westminster Bank meeting, with respect to an increase of the reserve fund, is one which may be usefully discussed by all joint-stock bank proprietors. It is well known that a difference of opinion exists upon the point, but is it not better that in the days of extensive prosperity an error—if error it be—should be committed on the side of caution? The enormous amount of deposits held by the various joint-stock banks, the necessity there is for guarding against adverse contingencies, and the support of that confidence which has hitherto been extended to the system by the public, are circumstances which fully justify in this respect the exercise of great circumspection.

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#### TRADE OF THE UNITED KINGDOM.

THE Board of Trade tables for the month of November were issued on the 27th of December, and present results similar to those which have characterised nearly the entire year. The increase in the declared value of our exportations, as compared with November, 1855, is £1,512,226; and, while the principle augmentation has been in cotton goods, it is to be noticed that these have consisted of the sorts involving the greatest employment, the shipments of yarn exhibiting



a considerable decrease. Metals, among which railroad iron is the important article, continue to show large totals, and all the general productions of the country have been in proportionate demand, the colonial having evidently more than kept pace with the foreign trade. The only articles on the unfavourable side, in addition to cotton yarn, are cordage and soap, but even this falling off is simply on the month, the shipments of these goods during the year having been larger than in 1855. The subjoined abstract gives the exact increase or decrease under each head:—

## DECLARED VALUE OF EXPORTATIONS.

Months ending Nov. 30th, 1855, and Nov. 30th, 1856.	1855.	1856.	Increase.	Decrease.
Alkali—viz., soda ... ..	£25,071	£62,637	227,568	—
Beer and ale ... ..	102,058	128,214	26,161	—
Butter ... ..	54,587	61,556	6,969	—
Candles ... ..	22,028	24,294	2,266	—
Cheese ... ..	10,315	17,183	6,868	—
Coals and culm ... ..	181,803	196,587	14,785	—
Cordage and cables ... ..	24,849	11,166	—	£13,683
Cotton manufactures ... ..	2,462,064	2,909,043	446,979	—
Cotton yarn ... ..	916,240	681,568	—	£234,672
Earthenware ... ..	95,336	132,938	37,602	—
Fish ... ..	36,157	59,102	20,945	—
Glass manufactures ... ..	40,689	49,340	8,651	—
Haberdashery and millinery ... ..	215,620	257,651	42,031	—
Hardware and cutlery ... ..	261,241	371,564	110,323	—
Leather ... ..	113,305	175,179	61,874	—
Linen manufactures ... ..	386,148	497,539	111,391	—
Linen yarn ... ..	83,268	128,170	44,902	—
Machinery ... ..	212,171	273,765	61,594	—
Metals ... ..	1,180,415	1,512,074	331,659	—
Oil and seeds ... ..	44,792	113,202	68,410	—
Painters' colours, &c. ... ..	28,758	33,681	4,923	—
Salt ... ..	30,692	35,305	4,613	—
Silk manufactures ... ..	100,702	110,849	10,147	—
Silk, thrown ... ..	17,110	86,844	69,734	—
Silk, twist and yarn ... ..	15,993	22,121	6,128	—
Soap ... ..	21,478	18,320	—	£3,158
Stationery ... ..	51,439	64,756	13,317	—
Sugar, refined ... ..	6,124	73,686	67,562	—
Wool, sheep or lambs ... ..	58,539	69,971	11,432	—
Woollen manufactures ... ..	647,310	708,720	61,410	—
Woollen yarn ... ..	216,452	262,358	45,906	—
Unenumerated articles ... ..	1,086,131	1,122,692	37,561	—
Total ... ..	8,759,849	10,272,075		

The total value of our exportations in the eleven months from January to November, inclusive, has amounted to £105,845,631, against £86,847,380 in the preceding year, showing an increase of £18,998,351, or 21½ per cent.

As compared with the corresponding period of 1854 the increase is £10,107,015.

With regard to imported commodities the chief feature consists in the large arrivals of foreign grain, which have led to the late depression in the wheat market. The quantities of other articles of food and luxury imported and taken into consumption present nothing to call for remark, except that they continue to afford proof that, while a high rate of discount has been perfectly compatible with an extended trade, it has also been concurrent with general prosperity among the people.



Subjoined are the quantities of provisions, &c., imported and taken for home consumption:—

Months ending Nov. 30th, 1855, and Nov. 30th, 1856.	Imported.		Home Consumption.	
	1855.	1856.	1855.	1856.
Grain, wheat, qrs. ... ..	163,929	429,882	163,029	429,882
Grain of other descriptions, qrs.	161,314	287,122	161,314	287,122
Indian corn, qrs.... ..	73,379	125,537	73,379	125,537
Flour and meal, cwt. ... ..	204,168	206,307	204,168	206,307
Provisions—Bacon, &c. &c., cwt.	3,626	87,370	Free.	Free.
Butter and cheese, cwt. ... ..	9,333	82,514	92,032	75,165
Animals, No. ... ..	35,716	26,788	Free.	Free.
Eggs, No. ... ..	5,369,900	5,389,800	5,384,800	5,899,200
Cocoa, lb. ... ..	346,675	163,448	438,537	85,8711
Coffee, British, lb. ... ..	4,168,098	4,898,739	2,325,268	2,170,469
Ditto, foreign, lb. ... ..	96,659	171,071	653,548	569,182
Total coffee ... ..	4,264,752	5,067,810	2,978,816	2,739,651
Sugar—				
West India, cwt. ... ..	185,613	118,232	207,780	171,277
Mauritius, cwt. ... ..	113,682	93,618	132,608	94,199
East India, cwt. ... ..	69,889	77,767	40,043	88,687
Foreign, cwt. ... ..	203,062	73,909	245,369	172,448
Total sugar ... ..	572,246	363,526	625,800	626,611
Tea, lb.... ..	3,811,844	3,554,392	5,418,954	4,909,707
Rice, cwt. ... ..	136,873	193,891	108,381	126,498
Spirits, gallons ... ..	1,078,969	429,447	444,088	462,677
Wines, gallons ... ..	565,517	897,062	617,138	643,344
Opium, lb. ... ..	7,798	12,816	6,857	1,700
Tobacco, lb. ... ..	7,438,125	10,002,276	2,677,883	2,755,004
Currants, figs and raisins, cwt....	85,032	156,188	58,678	130,631
Lemons and oranges, bushels ...	35,796	62,632	35,791	63,064
Spices, lb. ... ..	598,066	1,092,757	394,413	485,703
Ditto, cwt. ... ..	5,789	308	530	524

The following are the comparative imports and exports of raw material, again showing an increase in hemp, silk, and tallow. Of cotton the arrivals have been limited:—

Months ending Nov. 30th, 1855, and Nov. 30th, 1856.	Imported.		Exported.	
	1855.	1856.	1855.	1856.
Flax, cwt. ... ..	178,030	103,694	—	—
Hemp, cwt. ... ..	110,497	146,498	—	—
Raw silk, lb. ... ..	161,264	258,813	198,754	63,848
Cotton, cwt.... ..	518,638	231,595	106,795	110,613
Wool, lb. ... ..	6,498,159	5,617,104	4,767,597	2,722,095
Tallow, cwt. ... ..	114,573	158,671	—	—

Of silk manufactures the totals stand thus:—

Months ending Nov. 30th, 1855, and Nov. 30th, 1856.	Imported.		Home Consumption.	
	1855.	1856.	1855.	1856.
Silk manufactures of Europe, lb.	38,180	36,841	35,735	33,772
Ditto of India, pieces ... ..	29,983	46,111	4,354	10,204



As respects other articles, the quantities landed have been still such as to show that our stocks must have been fairly kept up. In dyes and dyeing stuffs there has been an increase of most sorts. In hides there has been no particular alteration, but leather manufactures exhibit a large increase. The supply of metals, especially tin, has also been on a full scale, and the same is the case with oils, except cocoanut and olive, the latter being influenced by the failure of the crop. Timber, the consumption of which offers one of the surest indications of the progress of internal industry, again figures for an extraordinary augmentation.

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### BANKING AND COMMERCE.

THE Lent term of the Evening Classes for Young Men, in Union with the Society of Arts, at Crosby Hall, has been inaugurated by an instructive lecture by Professor Levi, being the first of a course on the "History and Principles of Banking and Commerce." The chair was taken by the Right Hon. the Lord Mayor, and amongst the gentlemen seated near him we observed Sheriff Mechi, the Revs. Charles M'Kenzie, Richard Whittington, M. W. Lusignan, and W. H. Dickison; Messrs. J. W. Gilbert and Metcalf Hopgood.

The lecturer, after commenting on the importance of the subject and its interest to all classes of the community, observed that the transition from the savage state to the pastoral, and from the pastoral to the agricultural, in which men first begin to take refuge in hamlets, and then, in forming towns, prepare for the next change to the commercial, has never been sudden or violent. Each of these changes was made gradually, but the progress of civilisation and commerce was always continuous and steady. Then with the growth of commerce new maritime discoveries and new inventions, new applications of industry to public wants and tastes were made, little by little, and one after another new branches of industry and of commerce were opened and extended. Occasional derangements and losses occurred, but the course of progress was never permanently obstructed. Commerce was but invigorated by discipline, and refinement was insensibly acquired, as men were brought into more frequent and intimate intercourse. At different stages in the progress of commerce it produced different degrees of expansion, as geography and physical science became practical guides to the merchant, and more especially as war became tempered by its peaceful influence, and scenes of carnage were transformed into clusters of homes breathing comfort and happiness. In the history of commerce there were numerous and striking episodes. During the earlier period in the history of commerce, it had been greatly paralyzed by erroneous notions of geography, and ignorance of navigation—brigandage on land, and piracy on the seas—by the want of roads and mercantile institutions—by the small number of articles of commerce—the limited amount of produce, and the want of sufficient markets. But, notwithstanding all these difficulties, it was during this period that the Tyrians became distinguished as merchant princes—the Greeks first founded colonies—the Carthagenians traded to Britain—the Romans by their great judicial acumen greatly enriched mercantile jurisprudence—at Venice public banks were first established (great applause). After some remarks on the commercial rise of the Netherlands, the lecturer observed that the invention of the compass, the discovery of America, and the doubling of Cape Horn, deserved more than the cursory glance the limits of a lecture would permit him to give, both from the circumstances under which they arose, and from the important consequences which followed. They had been originated and carried out by enterprising



men, despising obstacles and difficulties, and bravely outstepping the boundaries of knowledge within which their contemporaries were confined. He then described the conditions which encouraged the Spaniards and Portuguese in the pursuit of discovery to which they were urged on by religious zeal, the desire of wealth, and of extension of powers. He referred to the bull of Pope Nicholas, authorising the Portuguese to undertake the reduction of barbarians, and the difficulties that arose between them and the Spaniards, and were ultimately settled by Pope Alexander, who fixed a boundary line giving all on the East to the Portuguese, and on the west to the Spaniards. He then went over the history of Columbus's struggles to overcome the prejudice of the age, and his ultimate appeal to Ferdinand and Isabella for countenance and assistance. In illustration of the backward state of geographical science at that period, he described a curious map of Juan de la Cosa, in which the principal cities were marked by houses and churches rudely drawn, the birds by divinities, and Paradise surrounded by thick foliage. Having described some geographical blunders apparent on the face of this chart, he went on to show how the mistaken notions entertained on the subject of geography militated against Columbus, and left him to stand alone. The Book of Genesis, the Psalms, the Prophets, and the fathers, seemed to support the common idea that the earth was indefinitely extended downwards, and was of the form of a cylinder or drum, and people ridiculed the idea that there were antipodes, who walked with their heads downwards, and their feet upwards, in a country where everything in nature was reversed, where the trees grew downwards, and the hail, rain, and snow "fell upwards" (laughter). He then gave an interesting description of the discovery of America by Columbus after overcoming all these obstacles, and then proceeded to the doubling of the Cape soon after, by Vasco de Gama. He dwelt on the magnificent prospect that now appeared to open before the Spaniards and Portuguese, with all the wealth of India and America apparently at their disposal, but which prospects were never realised. He pointed out the causes of the ruin of these nations in their own rapacity, and in the effeminacy they acquired with their ill-gained wealth; and remarked that, after all, the man who produces wealth is richer than the man who gains it without purchasing it with his industry. He then spoke of the rise of Holland as a commercial state, and described how England at last manifested her powers, and began to assume the importance which had increased till she gained her present proud pre-eminence. He then gave some comparative statistics showing the immense increase of commerce in the present as compared to former ages. He referred, one by one, to various inventions and improvements in locomotives, navigation, arts, science, and manufactures, from the time of Columbus to the present day, and the difficulties opposed to them in their turn by the prejudices of the times. He also referred to the still greater extension of commerce that might be expected from further improvements in art and science, and from the discovering of new and productive districts. He here paid a tribute to Dr. Livingstone, whose recent discoveries opened a new field of enterprise. A new district would be brought into cultivation sufficient to grow corn enough to supply the British empire. In reference to the late commercial frauds, he contended that they did not show a falling off of commercial morality in general; but that the universal reprobation with which they were received was the best proof of the soundness of public feeling and the healthiness of the general tone.

A vote of thanks to the lecturer was proposed by the Right Hon. the Lord Mayor, seconded by Mr. Gilbert, and carried unanimously.







### THE NEW BANK AT CONSTANTINOPLE.

THE following is given by the Constantinople correspondent of *La Presse* as the official project for the formation of a National Imperial Bank at Constantinople which has been accepted by Mr. Wilkin on behalf of a company of English capitalists. "The Imperial government desires to establish, exclusively privileged for thirty years, an Imperial National Bank, with a capital of from £40,000,000 to £12,000,000 sterling, about £8,000,000 of which shall serve as a reserve for the use of the government and its authorities, in proportions to be officially stated, and the rest for the affairs of agriculture, &c. The bank will be constituted as nearly as possible upon the model of the Banks of France and England. The *cessionnaires* shall engage to open subscription lists in England, France, Germany, and Turkey, and to leave them open for the same time and on the same conditions in each country. The maximum of the interest which this bank will be entitled to receive from the Imperial government for all the necessary advances required for the monetary form specified in the first article shall not exceed six per cent. per annum, and it is understood that these advances shall be made at par and without discount. The Governor of this Bank, and also a limited number of the directors, shall be appointed by the Imperial government, and the rest of the directors elected by the subscribers in proportion to the subscriptions taken in each of the above-mentioned countries. A deposit of £2,000,000 sterling shall be made by the *cessionnaires* to serve as a guarantee for the execution of the enterprise. The Bank must commence business within six months at latest from the issue of the Imperial firman."

The names of the applicants, represented by Mr. Wilkin, are stated as follow:—Messrs. Samuel Laing, M.P.; W. Scholefield, M.P.; E. W. Fernie, merchant, London; W. Jackson, M.P. for Newcastle; T. A. Chance, of London; T. Brassey, of the firm of Peto and Co.; A. Darby, of the Ebbw Vale Company; and A. W. Rixon, of London; E. S. Caley, M.P.; J. C. Ewart, M.P.; Sir Joseph Paxton, M.P.; Hon. Henry Coke, of Holkham; Mr. Mark Hunter, chairman of the Commercial Bank of London.

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## Banking and Commercial Law.

### LEGAL NOTES OF THE MONTH.

*Kingsford v. Merry*.—The decision in this case is exciting much attention amongst banking and commercial men. There is a dispute as to the manner in which the case was presented to the Court of Error, and we think it better to reserve what remarks we have to make upon the case until it is fully and accurately reported in some of the law reports. It is supposed that the decision interferes with the safety of the ordinary and necessary transactions of merchants, and if so, the law must be altered by the proper authority. There are two dangers to be avoided in matters of this sort:—First, the inconvenience of impeding business; second, the danger of facilitating fraud. Merchants



and bankers are generally competent judges of the mode of avoiding both these dangers, and we trust they will succeed in so doing in the present instance.

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*The Royal British Bank.*—The proceedings in this matter grow more and more complicated. Some instances of the utter ruin it has caused have come under our notice. Tradesmen who were shareholders have broken up their businesses and their houses and sought shelter abroad until the storm has abated.

It is, however, to be hoped that some good will result from the late vexatious proceedings. Let us not be told in future that the Court of Bankruptcy is for one set of creditors, the Courts of Law for another set, and that the Court of Chancery is for the shareholders; but let one Court do complete justice to all.

We find no fault with the administration of the law, but rather with the makers of it; and we hope that the experience of the one will be combined with the power of the other to create a just and sufficient law for future transactions of this nature.

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## Legal Miscellany.

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*Court of Bankruptcy, Basinghall-street, Dec. 29th.*—(Before Mr. Commissioner GOULBURN).

IN RE SYERS, WALKER, AND SYERS.

THE bankrupts were merchants in Ball-alley, Lombard-street.

Debts to the amount of £80,000 were now proved against their estate, and Mr. James Broad, ironmerchant, of Drury-lane, and Mr. W. Solley Grey, of Cullum-street, were chosen assignees.

Mr. Linklater, for the assignees, said the total amount of the debts and liabilities was £170,000, and the assets £34,000.

His Honour thought the assets rather shadowy, and granted an allowance of £3 per week, to be increased to £5 per week should the bankrupts' accounts be duly filed at the examination meeting.

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*Court of Bankruptcy, Basinghall-street, Jan. 2.*—(Before Mr. Commissioner FANE.)

IN RE WILLIAM SMITH.

THE bankrupt was a banker of Hemel Hempstead, and of Watford, in the county of Herts, trading under the firm of Smith and Whittingstall, and formerly in partnership with Edmund Fearnley Whittingstall, since deceased.

This was the examination meeting.

The bankrupt's balance-sheet, as prepared by Mr. Turquand, extends



from the 31st December, 1853, to the 25th of August, 1856. Subjoined is an abstract :—

<i>Dr.</i>			
To sundry creditors—balances of banking accounts ...	£27,575	4	5
Sundry creditors—holders of notes in circulation at date of petition ...	12,000	0	0
T. E. Dyson—cash lent December, 1855, in respect of which he holds the joint and separate bond of William Smith and E. F. Whittingstall, and a security on the separate estate of E. F. Whittingstall	8,000	0	0
Creditors holding security ...	19,333	16	11
Profits—interest, discount, &c....	£8,352	15	1
Less interest and commission paid ...	1,730	15	9
	6,601	19	4
	£73,511	0	8

<i>Cr.</i>			
By cash balance paid to official assignee ...	£1,542	13	3
Deduct sundries to be paid in full ...	537	6	8
	1,005	6	7
By sundry debtors—estimated to realise ...	10,078	8	2
Property given up ...	285	0	0
Property held as security ...	15,275	16	6
Losses ...	15,436	1	2
Sundry expenses...	2,906	3	3
William Smith—balance of drawing account ...	4,707	17	10
The late E. F. Whittingstall—balance of drawing account ...	2,152	12	9
Deficiency, December 31st, 1853—viz.,			
at debit of W. Smith ...	£18,594	17	2
E. F. Whittingstall ...	3,068	17	6
	21,633	14	8
	£73,511	0	8

A balance-sheet of the private estate of the bankrupt extends over the same period. It shows available assets amounting to about £7,000, the unsecured creditors being only £149.

To the bankrupt's balance-sheet of the bank is affixed a note, of which the following is a copy :—

"My late partner, E. F. Whittingstall, died on the 13th of March, 1856. I continued the business upon the decease of Mr. Whittingstall, being appointed for the purposes of the bank sole executor, the other executors being appointed for all other purposes connected with the testator's will; and by his will he gave his other executors full power to raise, out of his general estate, any moneys that should be payable by him towards the liabilities of such banking concern. I, therefore, with the concurrence of the executors, continued the business, and they, as soon as they could investigate the bank affairs, raised money, and advanced it to meet the liabilities. The executors and their solicitors negotiated for the sale of the bank business and the goodwill, first with Mr. Heale for £4,000, and on the failure of the negotiations with him, then with Mr. Hunt, of the Bucks



and Oxon Bank, who agreed to give £3,000, and I only kept the bank open pending these arrangements, relying on their being carried out. When the executors broke off their negotiations, I immediately closed the bank."

In order to make the foregoing statements intelligible to the general reader, it may be necessary to remark that the accounts show claims against the bank to the amount of £66,969 1s. 4d., the assets being £26,644 11s. 3d.; but the question arises whether the creditors have not a claim upon the estate of the late Mr. Whittingstall, in which case it is fully understood that their claims will be paid in full. The note affixed to the proceedings is regarded by the creditors as furnishing evidence in favour of that claim. The trustees of Mr. Whittingstall, on the contrary, contend that their liability extends to only about £20,600 of the debts of the bank.

A summary of the position of the bank on the 13th of March, 1856, contains the following items:—Creditors on balances of banking accounts, £49,979; on notes in circulation, £23,070; T. E. Dyson, holding bond, £8,000; bills receivable and cash balance, £17,782; debtors on overdrawn accounts, £28,898; bank estate, £1,578; Watford estate, £2,021; investment account, £4,816; William Smith, debit balance, £20,792; E. F. Whittingstall, £5,158.

Mr. Linklater, in asking for an adjournment and further accounts, said, Mr. Whittingstall's death occurred in March, 1856, after which event the business of the bank had been carried on as previously.

The Commissioner.—You contend that the executors of Mr. Whittingstall are in the position of partners.

Mr. Linklater said, such was the view taken by the assignees. That, however, would be a question for the Court of Chancery, in which Mr. Whittingstall's estate was to be administered.

Mr. Lawrance, as representing the executors of Mr. Whittingstall, wished not to be understood as acquiescing in Mr. Linklater's observations.

Mr. Linklater said, the assignees had collected assets which the representatives of Mr. Whittingstall said belonged to them, and which they contended should be applied in payment of debts for which Mr. Whittingstall and Mr. Smith were jointly liable.

Mr. Commissioner.—Then it is a case of marshalling of assets.

Mr. Linklater said the assignees could not at present divide the funds in hand. If they did so they might be called to account by the creditors of Whittingstall for applying the joint funds to pay the separate creditors of Smith. It was necessary to have information showing the position of the firm at the date of Whittingstall's death. A statement had been filed, but the assignees required an account of the debts and liabilities paid off by Mr. Smith since the death of Mr. Whittingstall. They wanted to know when the notes now in circulation were issued. At the death of Whittingstall the notes in circulation were £23,070, and at the time of the bankruptcy the amount was £12,000. There would be no difficulty in ascertaining what portion of this latter amount was in circulation at the time of Whittingstall's decease, and it was necessary for the rights of all parties that the amount should be ascertained. An account was required accordingly. A liquidation account of the late firm was also required, showing what assets had been collected since Whittingstall's death, and what assets now belong to the firm. They wanted a trading account since Whittingstall's death.

The Commissioner—I suppose you want a rest made at the death of Whittingstall?



Mr. Linklater—Yes.

Mr. Cannan, the official assignee, said, the bankrupt had furnished an account of the joint and separate estates, and the claim of the executors of Whittingstall could be easily disposed of. They themselves said, that the bankrupt had contracted debts to the amount of £30,000 to pay off Whittingstall's old debts. He (Mr. Cannan) deprecated any course that might occasion expense and unnecessary litigation.

Mr. Linklater said, that, unless the accounts now desired were furnished, he should advise the assignees to divide nothing. They would become involved in proceedings in Chancery, and litigation would be unnecessarily occasioned.

Mr. Cannan.—I could on my own responsibility, now collect Smith's assets and divide them among the creditors.

Mr. Linklater.—If Mr. Cannan would give the assignees a guarantee, they would be obliged for the offer.

Mr. Cannan was understood, in reply to this invitation, to decline to incur any personal responsibility in the matter.

Mr. Murray read a statement which he contended furnished nearly all the information now asked by Mr. Linklater.

Mr. Linklater said, what the assignees required was, the same information in respect to debtors to the estate that had been furnished in respect to creditors to the estate. The position of the notes in circulation was absolutely necessary.

His Honour said, he could see many reasons for supposing that they might get into the greatest possible difficulty, unless the accounts asked for were furnished. There would be an adjournment to Friday, the 30th of January, at eleven o'clock. During that interval, they could be supplied.

Adjournment accordingly.

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*Court of Bankruptcy, Basinghall-street, Jan. 15.—(Before Mr. Commissioner FANE).*

IN RE SAMUEL ADAMS

THE HERTFORD AND WARE BANK.

The bankrupt was a keeper of Ware and Hertford. This was the last examination meeting.

The bankrupt's accounts, as prepared by Messrs. Thomas and Copley, extend from December 6, 1854, to July 25, 1856. Subjoined is an abstract:—Debtor.—To creditors, £61,849 17s. 10d.; ditto, holding security, £12,085 5s. 3d.; notes in circulation, Hertford and Ware, £12,060; liabilities, £56,044 15s. 1d.; profits, viz.—Hertford bank, £1,191 8s. 5d.; Ware ditto, £424 11s. 4d.; malting, £538 8s. 5d.; rents received, £2,201 3s. 4d.; surplus at commencement, £14,459 1s. 10d.; total, £160,854 11s. 6d.; Creditor.—By debtors, good, £12,288 4s. 8d.; ditto, doubtful, £151 11s. 7d.; debtors who have deposited security, £7,203 5s. 9d.; these debts are estimated to realize £2,551 13s. 8d.; freehold property, £4,945 0s. 10d.; ditto, "in which I have a life interest only," the value of which is, £4,934; property surrendered to assignees, £10,715 12s. 4d.; ditto, in the hands of creditors, £13,715 11s.; rents due, £1,563 19s. 3d.; property settled on Mrs. Adams on the 6th of December, 1854, £6,260; payments in full, £7,861 1s. 6d., deducted from property. Trade expenses:—Hertford bank, £1,835 17s. 5d.; Ware bank, £957 16s. 9d.; malting, £2,012 19s. 8d.; interest on mortgages, £768 9s. 11s.; law costs, £1,624 14s. 3d.; annuities charged on property, £386 11s.; personal expenses £5,487 18s.; loss 147 8s. 1d.; depreciation in property estimated, £20,485 6s. 6d.



miscellaneous losses, £8,303 4s. 9d.; liabilities per contra, £56,044 15s. 1d.; losses on securities deposited by debtors, £4,671 12s. 1d.; balance, £224s. 8d.; total, £160,854 11s. 6d.

The losses are chiefly on absolute and life interests, but there is a small sum of £164 expended on Ware manor. The liabilities are acceptances negotiated, the Bank of England being liability creditors for nearly £20,000. The creditors include several charities and benefit societies for small amounts; Mr. Abel Smith, £1,710; Hertford Savings-bank, £837; W. Scammell, £3,587; the churchwardens of Ware, the Herts Hawking Society, &c. The property mortgaged and given up is chiefly at Ware, Bourne, and Parson's Green.

In the list of secured creditors are Messrs. Masterman and Co., for £4,213, holding India Bonds, £4,000. At the date of the stoppage there was at the Hertford Bank, cash, £403 4s. 1d.; notes, £785; Ware Bank, £994 45s. 8d.; checks, £30; furniture of bank, £200; bills receivable at Hertford, £2,458; Ware, 3,074. The property given up comprises household furniture, plate, wines, &c., at private residence, Cannons, Ware, cost £2,638 3s. 6d.; estimated to realize £1,900; three shares in the Islington Cattle Market cost £3,000, not expected to realize any thing; twenty-five shares in the Hertford and Welwyn Railway, cost £165, expected to realize that amount; fifty shares in the Unity Fire Office, £100, realized that amount. Extents had shortly after the suspension been issued by the Crown, and malt seized.

Statement of affairs, Dec., 1854.—Creditors.—Hertford, £83,976 14s. 3d.; ditto, Ware, £47,778 4s. 7d.; miscellaneous, £13,994 8s. 6d.; duty payable on stock of malt, £3,784 8s.; balance, £14,459 1s. 10d.—£163,958 17s. 2d. By debtors.—Hertford, £11,587 3s. 8d.; Ware, £15,625 15s. 1d.; miscellaneous, £4,520 19s. 10d. (N.B.—Of these debts there remained uncollected at the bankruptcy, £1,494 6s. 10d.) Cash in hand—Hertford, £17,490 6s. 6d.; ditto, Ware, £13,050 9s. 2d.; bills receivable, Hertford, £16,831 0s. 7d.; Ware, £13,487 0s. 10d. (N.B.—Of these there still remains unpaid £1,108 10s. 6d.) Freehold property, £24,869 2s. 6d.; life interest in property, £16,746; sundry mortgages, £3,415 2s. 6d. still unrealised, but not now estimated to realise more than £1,935. Stock of malt, £8,433 18s.; live and dead stock on farms, £6,700; policies of assurance, £2,300; barge Mary Ann, £350; furniture of banks, which has since realised £200; shares in the Unity Fire-office, £100; household furniture, £2,500; rents due, 1,520 10s. 7d.; India Bonds, £4,229 7s. 11d.; total £163,958 17s. 2d.

Mr. Lucas said he appeared as counsel for Mr. Scammell, a creditor for £3,500, and forty creditors whose debts altogether amounted to £15,000. The accounts had only been filed that morning, and he asked for an adjournment for six weeks or two months to investigate them.

Mr. Lawrance said Mr. Lucas had only anticipated the wish of the assignees, who were equally desirous to have the fullest investigation. The accounts extended over a period of eighteen months, and occupied 300 sheets of paper. The most important point was to investigate the position of the bankrupt in December, 1854. He then took credit for a surplus of upwards of £14,000, and executed a post-nuptial settlement on his wife of £6,000. The bankrupt said he had this surplus of £14,000. The assignees, on the contrary, denied that he was solvent at that time. The bankrupt had put a value on certain property, and his accountants, feeling the difficulty of their position, had suggested that the assignees should employ a surveyor to value the property. They had thus far declined to do so. They said the bankrupt must first furnish a statement of the value of the property, and be careful how he made the estimate. Having that before



them they would decide what course to take. There was another question which it might be necessary for the assignees to raise. It was believed that the trustees to the settlement were trustees for the bankrupt, and not for his wife; but he would not now go into that. A large portion of the bankrupt's estate had been realised, and the official assignee (Mr. Whitmore) had now in hand about £11,000 or £12,000, which he proposed to divide among the creditors as early as possible.

In reply to the court Mr. Whitmore said, the estate might realise something beyond £15,000 more than the amount now in hand. £8,000 of the general assets had been applied in paying off mortgages. The amount in hand would suffice to pay a dividend of about 2s. 6d. in the pound.

Mr. Lawrance said the proofs against the estate up to this time amounted to £90,000, and it was thought that they would not exceed £100,000, or £120,000. The assets would be increased by several sales of property, nearly completed.

Mr. Lucas.—The present dividend will be about 2s. in the pound.

Mr. Lawrance.—I think we may make it 2s. 6d. We will divide as closely as possible.

The Commissioner said that the bankrupt had produced £30,000 of assets and he did not feel called upon to make any alteration of his allowance of £7 per week, and that there would be an adjournment to Friday, the 13th of February.

Mr. Lucas wished it to be understood that the 40 creditors whom he represented desired to institute a separate investigation of the bankrupt's accounts.

Mr. Galsworthy tendered a claim for £30,000, as arising in connection with certain proceedings in Chancery in the suit of *Kay v. Johnson*. The precise amount of the claim could not at the present moment be ascertained.

A creditor objected to the continuation of the bankrupt's allowance of £7 per week. He (the creditor) was living upon bread and cheese, and there were many creditors who would feel their losses more severely than he did. Some poor creatures felt the loss of £5 or £10 most severely. It was a cruel case.

The Commissioner said that, unfortunately, there was cruelty in all cases of bankruptcy.

A Creditor—I am obliged to keep my family upon less than £7 per week.

The Commissioner remarked that the allowance was only moderate in a case where £30,000 of assets were produced to meet £100,000 of debts.

Mr. Lucas said, some creditors felt that this case had not been treated as an ordinary one.

The Commissioner said that the allowance in the case was small. Taking into consideration the amount of assets, the bankrupt's allowance would not be one-tenth so much as that received by bankrupts in smaller cases. It was an outrage upon justice to say that persons in the position of the bankrupt were favourably treated.

Mr. Lucas—That is the feeling of creditors.

The Commissioner—You know that it is an unjust one.

Mr. Lawrance said, a complaint had been made of the appointment of the present assignees. The fact was Mr. Lucas's client (Mr. Scammell) had voted in their favour. Powers of attorney from Hertford and Ware had also been sent up to the amount of £40,000 in support of that choice. It was true one of the assignees was a creditor for a sum under £100, but the other assignee, Mr. Elsey, of the Bank of England, represented that corporation, and the debt of the Bank was £17,000.

A Creditor—Is the Bank of England unsecured?



Mr. Lawrence—Perfectly unsecured. They do not hold a fraction of security, except, of course, the names of other parties on the bills.

The Commissioner said he had made a calculation, and he found that the £24 of allowance to the bankrupt as objected to would not produce an addition to the dividend of more than one-fourth of a farthing in the pound.

Mr. Lucas said, a small sum among many might nevertheless be a large sum for one man.

Mr. George Lovegrove, of Hertford, said he had proved for £88. There was a further sum of £55 upon which he wanted to take the opinion of the Court. The bank stopped payment and closed its doors at 4 o'clock. Between 2 and 3 o'clock of the same day the sum of £55 was paid into Messrs. Masterman and Co.'s to his credit. The bank at Hertford had not entered the amount in its books, and he submitted that he was entitled to the amount in full. He had not had any opportunity of receiving advice that the money was paid.

The Commissioner disallowed the claim, and the debt was proved as an ordinary one.

After some discussion an audit meeting was fixed for the 12th of February, and a dividend meeting for the following day.

Mr. Lovegrove said he could bear testimony to the distressed condition of many of the depositors in the bank—poor men who had become depositors on the faith of its respectability.

The Commissioner.—You cannot go into other people's cases.

Mr. Lucas said, creditors were greatly dissatisfied, and that he was informed the bankrupt was not exerting himself to do the best he could for his estate.

A Creditor—And you are rightly informed, too.

Mr. Lovegrove having expressed concurrence in this opinion, and stated that he had not in his observations intended to make any complaint of the conduct of the assignees, or of Mr. Whitmore, but that creditors felt that the delays and expenses of this Court were great.

The Commissioner said it was seldom that an estate could be realised at once, but he was sure that a dividend would be declared at the earliest possible moment.

After some discussion on the subject of a claim in connection with Messrs. Mason and Waller, the executors of the estate of the late Mr. Samuel Adams, and for whom Mr. Armstrong appeared, an adjournment was ordered.

*Court of Bankruptcy, Basinghall Street, January 19th—(Before Mr. Commissioner HOLROYD).*

IN RE LEOPOLD REDPATH.

THIS bankrupt and convict was brought up to pass his examination, but no accounts were ready.

Mr. Lawrence said, the bankrupt had intimated his determination not to answer questions put to him by this Court, touching his estate and effects. No account being filed, there must necessarily be an adjournment. He suggested an adjournment *sine die*, and that a private meeting be fixed for taking the examination of the bankrupt in respect to certain claims against his estate. At that meeting it might be decided what course to take should the bankrupt adhere to his determination not to give evidence.

His Honour concurred.

Adjourned accordingly.



## Reports of Joint-Stock Banks.

### LONDON CHARTERED BANK OF AUSTRALIA.

A HALF-YEARLY meeting of the London Chartered Bank of Australia was held on the 19th of December, Mr. Duncan Dunbar presiding. A dividend of 2½ per cent., for the six months ending the 30th of June, was declared, free of income tax, and the statement of profit and loss was adopted.

It was explained by the chairman that the advices from the colony are favourable, and that, after making considerable deductions for bad debts, the total of profit will admit of the proposed distribution. One proprietor took objection to the large amount of expenditure incurred in conducting the business, and expressed an apprehension that, unless it could be reduced, the dividend will never show an adequate return for the responsibility of the investment. In answer, the chairman stated that, owing to the charges for necessaries and rent in Australia, it is impossible at present to expect a reduction in the expenditure. The profits for the last half-year have been £27,500, from which has been taken £10,300 for bad debts and preliminary expenses. About £3,000 bad debts remain to be provided for, and the board consider it satisfactory that the amount has been brought to this low point, after having stood at from £45,000 to £50,000. The inspectors and managers are now exercising great caution, and it is presumed, from the report of a director who has recently returned from visiting the establishments at Port Phillip and in New South Wales, that everything has been conducted in a creditable manner. No change, therefore, has been made in the general executive, and the experience the officials have gained will, it is predicted, lead to advantageous results.

In answer to a question, the chairman stated that the 700,000 capital cannot be altogether profitably employed, and, should the business not more rapidly extend, the question of the best course to be pursued on this point will be brought under consideration at the next meeting. It was imagined when the charter was first obtained that the full amount would be required, but, in consequence of additional banks having been organised in the colony, and other local changes, the sphere of operations had been partially curtailed. At present, £400,000 or £500,000 is regarded as ample to meet the existing wants of business. The only other topic touched upon was the formation of a reserve fund, and the whole of the explanations being regarded as satisfactory, votes of thanks were passed to the chairman and the directors.

Annexed is the abstract of profit and loss :—

#### *Abstract of Profit and Loss account at the 30th of June, 1856.*

To fourth dividend of 2 per cent. for half-year ending Dec.

31, 1855 ... ..	£11,000 0 0
Proportion of preliminary expenses for half-year ending June 30, 1856 ... ..	581 4 4
Proposed dividend at the rate of 5 per cent. per annum on paid-up capital for half-year ending June 30, 1856 (free of income tax)...	14,375 0 0
Balance to next half-year ... ..	2,507 10 8
	<hr/>
	£28,463 15 0
	<hr/>



By balance at Dec. 31, 1855, per last report	...	...	11,103	14	11
Balance of profit and loss in London and in the colonies for half-year ending June 30, 1856...	...	...	17,360	0	1
			<u>£28,463</u>	<u>15</u>	<u>0</u>
Balance brought down	...	...	<u>£2,507</u>	<u>10</u>	<u>8</u>

**COLONIAL BANK.**

THE half-yearly meeting of the proprietors of this bank took place on the 14th of January, at the London Tavern, Mr. C. MARRYAT in the chair.

The Secretary (Mr. O. A. Calvert) read the following report:—

“In pursuance of the requisitions of the charter, the directors now lay before the proprietors the following statement of the debts and assets of the corporation on the 30th June, 1856, and of the profits made during the half-year ending at that period, viz.:—

**DEBTS.**

Circulation	...	...	...	...	...	£225,937	19	2
Deposits and other liabilities	...	...	...	...	...	1,361,658	15	7
Paid-up capital	...	...	...	...	...	500,000	0	0
Fund to meet bad debts	...	...	...	...	...	168,080	4	0
Profit	...	...	...	...	...	25,967	12	3
						<u>£2,281,644</u>	<u>11</u>	<u>0</u>

**ASSETS.**

Specie	...	...	...	...	...	£260,676	5	6
Due to the Bank in the Colonies, on Bills discounted and purchased, including those past due	...	...	...	...	...	895,362	18	9
Due to the Bank in the Colonies, on cash credits and current accounts	...	...	...	...	...	111,829	10	1
Due to the Bank in London, on Bills remitted, cash at Bankers, &c.	...	...	...	...	...	1,007,424	19	5
Bank premises and furniture, in London and the Colonies	...	...	...	...	...	6,350	17	3
						<u>£2,281,644</u>	<u>11</u>	<u>0</u>

The directors have much satisfaction in submitting to the proprietors the above statement, which, by an adherence to the provident course hitherto pursued, will enable the directors to make a considerable addition to the fund to meet bad debts, and should nothing unforeseen occur, they will, ere long, have it in their power to announce the final extinction of old outstandings, and be in a position to recommend an increased dividend. Meanwhile the directors do not doubt that the proprietors will agree with them in their proposal, that out of the profits of the half-year ending on 30th of June, 1856, which, after making provision for income-tax, and for current, bad, and doubtful debts, amount, as per above statement, to £25,967 12s. 3d., a dividend be made of 2½ per cent. (being at the rate of 5 per cent. per annum) on the paid-up capital of the corporation, which will require £12,500, leaving £13,467 12s. 3d. to be added to the fund for bad debts, whereby it will be increased to £181,547 16s. 3d. The directors consider the time has now arrived when they can comply with the wish of



the proprietors, that the half-yearly statement should show the balance of bad debts. Having thoroughly investigated those outstandings, they are happy to report that the loss, which they have always hitherto estimated at £210,000, will not exceed £204,768 1s. 3d., from which deduct fund to meet bad debts, as above, £181,547 16s. 3d., leaves a balance of £23,220 5s. In the next statement consequently, that balance will appear instead of the "fund to meet bad debts." The directors are glad to report further that the accounts of the half-year just ended, so far as they have been received from the branches, give every reason to expect that its result will be quite equal to that of the corresponding period of 1855. It will doubtless be satisfactory to the proprietors to be informed, that the directors, after a minute examination of the stock ledgers of the corporation, can state them to be perfectly correct and in order.

The Chairman, in moving the adoption of the report, congratulated the proprietors on the fact that the accounts showed the largest amount of profit that had been made by the bank since its establishment, and observed that this augured well for the future. The increase was the more gratifying as it enabled the directors to add a large sum to the outstanding bad debt fund. They expected to see the bad debts very shortly extinguished, when, if no unforeseen accident arose in the meantime, the whole of the profits would be available for dividend, although of course it would be desirable to set aside a portion of them to form a reserve fund. It was very satisfactory also to the directors to be in a position to state that the gross amount of the bad debts had been reduced by the sum of £6,000. With reference to the last paragraph in the report, he would remark that the disclosures which had been recently published had naturally made the directors rather sensitive, and although they had no reason to suppose that there was anything incorrect as regarded the transfers, they instituted a thorough investigation, which had proved entirely satisfactory, notwithstanding which, however, they had since established a few additional checks. (Cheers.)

After a short conversation the report was adopted.

In reply to questions,

The Chairman observed that the increase of profits on the last half-year arose partly from an increase of business in the colonies, and partly from the increased rate of interest in this country. As regarded the item "deposits and other liabilities," the amount under the head of deposits was between £500,000 and £600,000, and the remainder consisted principally of bills drawn by the branches. The expenses of the various colonial branches amounted to £19,000, and he could hold out no prospect of their being reduced. They could not expect to have the services of good officers in the colonies without adequately paying for them. (Hear, hear.) It had been complained that the specie reserve was too large; but the directors considered that it would not be safe to reduce it—they must be prepared for every call which might be made upon them. (Hear, hear.)

The dividend of 2½ per cent. was then declared, free of income tax, payable on the 20th instant; and the retiring directors having been re-elected, the proceedings terminated in the usual manner.

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### LONDON JOINT-STOCK BANK.

THE half-yearly general meeting of the proprietors of the London Joint-Stock Bank was held at the Banking-house, Princes-street, City, on the 15th of January. Mr. Flower, chairman of the board of directors, in the chair.



The following was the report:—"With much satisfaction the directors again meet the proprietors of the bank, to place between them the state of their affairs, and the profit and loss account for the half-year ending the 31st December, 1856. The proprietors will perceive that, including the sum of £25,086 18s. 6d., brought forward on the 30th of June last, there is a net balance of £84,217 4s. 9d., which the directors have appropriated as follows, viz. :—£37,500 to the payment of a dividend of £6 5s. per cent. for the half-year (being at the rate of 12½ per cent. per annum) upon £600,000, the paid-up capital; £48,500 to the payment of an additional bonus of 15s. 6d. per share; and £217 4s. 9d. to the credit of the guarantee fund; total, £84,217 4s. 9d. With this addition the guarantee fund amounts to £165,932 13s. 10d. The dividend and bonus, free from income-tax, will be payable on and after Friday, the 23rd instant."

*Balance-sheet, 31st December, 1856.*

LIABILITIES AND ASSETS.

*Dr.*

To capital paid up, viz., 60,000 shares at £10 each	...	£600,000	0	0	
Amount due by the bank	... ..	7,224,527	13	5	
Amount of "The Guarantee Fund,"					
30th June, 1856	... ..	£163,266	9	2	
Six months' interest on ditto, at £3					
per cent. per annum	... ..	2,448	19	11	
			165,715	9	1
Undivided profit for the last half-year	... ..	25,086	18	6	
Amount carried to profit and loss account	... ..	113,424	5	11	
			£8,128,754	6	11

*Cr.*

By Exchequer-bills and India bonds	...	...	£1,018,611	5	0	
Cash, loans, bills discounted, and other securities	...	...	7,065,068	1	11	
Building, furniture, &c., in Princes-						
street...	...	...	£36,950	0	0	
Ditto ditto ditto in Pall Mall	...	...	8,125	0	0	
				45,075	0	0
				£8,128,754	6	11

*Profit and Loss Account.*

*Dr.*

To current expenses, proportion of building expenses, directors' remuneration, bad debts, income tax, &c.	£26,473	16	6
Amount carried to profit and loss, new account, being rebate of interest on bills discounted not yet due	27,920	3	2
Amount transferred to the credit of "The Guarantee Fund"	217	4	9
Dividend account for the payment of half-a-year's dividend, at the rate of 12½ per centum per annum upon £600,000, amount of paid-up capital upon 60,000 shares	37,500	0	0
Ditto for the payment of a bonus of 15s. 6d. per share	48,500	4	0
	£138,511	4	5



<i>Cr.</i>									
by balance brought down	...	...	...	...	...	£113,424	5	11	
Undivided profit brought forward from the last half-year						25,086	18	6	
						£138,511	4	5	

The Chairman moved the adoption of the report without comment.

Mr. Josiah Wilson asked some questions in reference to the Exchequer-Bills held by the bank, and

The Chairman, in reply, observed that the deed of settlement required that in making up the accounts the directors should value all the securities held by the bank at the market price of the day.

The report was then adopted, and the dividend having been declared, Messrs. W. M. Christy, F. B. Godfrey, W. O. Gore, M.P., H. Grace, and T. Tilson, were re-elected directors.

On the motion of Mr. Josiah Wilson, seconded by Mr. G. F. Young, a vote of thanks and confidence to the chairman and directors was passed by acclamation.

The Chairman, in acknowledging the compliment, took occasion to observe that owing to the precautions taken by the founders of this bank, no director could obtain advances without depositing the most unquestionable securities; in fact, he might say that the directors were more rigidly dealt with in that respect than the general public.

Thanks were also voted to Mr. Pollard, the manager of the bank, and the proceedings then terminated.

### UNION BANK OF AUSTRALIA.

A SPECIAL general meeting of the proprietors of this bank was held at the London office, Old Broad Street, on the 19th of January, for the purpose of receiving a statement of the bank's affairs up to the 31st of December last, and declaring a dividend. The chair was filled by Mr. J. J. Cummins, who opened the proceedings by calling upon the secretary, Mr. Saunders, to read the report of the directors and the statement of accounts, which was as follows:—

The advices received from the colonies since the annual meeting in July last, reach down to the 16th of October. Mr. M'Donald, who had then recently returned to Sydney from a tour of inspection, reports in the most satisfactory terms relative to the general interests and business of the bank at all its branches.

The exchanges, especially at Melbourne, have not been as productive of profit as during previous years. Increased competition has kept the rough gold produced at a price on which scarcely any profit could be realised on its importation to this country. This bank has carefully abstained from any measure calculated to encourage this competition, and the directors have every reason to be convinced that their managers at the branches contiguous to the gold producing districts have zealously and prudently carried out the views of the board in their cautious policy, without omitting any opportunity of obtaining the needful supplies of the precious metal on terms not less favourable than the other establishments.

There can be no doubt that the Australian colonies are steadily advancing in every element of wealth and national importance. The progress of railroads and other internal improvements promises the still further development of their vast resources. Commerce, although liable to fluctuations from overstocked markets, or other temporary causes, must advance with general



prosperity; and it is impossible to overrate the national importance of the triumph of British enterprise and industry in these portions of the empire.

The statement of accounts now submitted to the proprietors presents an amount of net profit for the six months now reported on of £90,528 1s. 5d.; from which £7,057 6s. 3d. has been deducted for income-tax paid, leaving £83,470 15s. 2d. for division.

This admits of £82,000 being appropriated for the purpose of dividend, which the directors have determined to apply as interest on the paid-up capital; and the same will furnish a dividend, by way of interest, at the rate of ten (10) per cent. for the half-year, being at the rate of twenty (20) per cent. per annum on the amount paid up in respect of each share in the capital of the company, payable in London, free of income-tax, on the 10th February; and in the colonies, with the addition of income-tax, as soon as the inspector shall fix, after the receipt of advices.

*Statement of Liabilities and Assets at the Branches on the 30th June, and at the London office, on 31st December, 1856.*

LIABILITIES.					
Circulation ... ..	£364,064	0	0		
Deposits ... ..	2,423,467	4	2		
Bills payable and other liabilities...	1,160,218	1	9		
Balance of undivided profits ... ..	89,138	1	9		
Reserve fund (invested as per contra)	£200,000	0	0		
Paid-up capital ... ..	820,000	0	0		
		1,020,000	0	0	

£5,056,887 7 8

ASSETS.					
Specie on hand and cash balances...	£1,061,220	0	11		
Bullion ... ..	9,709	4	11		
Bank premises and property ... ..	50,010	3	1		
Bills receivable, Government stock, and other securities	3,735,947	18	9		
Investment of reserve fund, New Three per Cents. ...	200,000	0	0		

£5,056,887 7 8

STATEMENT OF PROFITS.					
Balance of undivided profits at June, 1856 ... ..	£91,767	6	7		
Out of which a dividend was declared, by way of interest, amounting to ... ..	86,100	0	0		

Leaving a balance of ... .. 5,667 6 7

To which are now to be added the profits of the past half-year, ending at branches on the 30th June, and at the London office 31st December, 1856 ... .. £90,528 1 5

Deduct income-tax paid for half-year on the average of the last three years 7,057 6 3

83,470 15 2

Balance of undivided profit at this date ... .. £89,138 1 9

RESERVE FUND.					
As reported at June, 1856 ... ..	£200,000	0	0		



The Chairman said—Gentlemen, the present, as you are aware, is a supplemental meeting, our annual meeting being held in the month of July. Our report, therefore, is briefer than it usually is at the end of the year, when we have more to report on matters which are now pending. The accounts, too, may not, perhaps, appear quite so satisfactory in their results; but I have just this one remark to make. At our last annual meeting the directors, seeing that the average on which the income-tax was charged was beginning to be reduced from the average of the three years of high profits, thought themselves justified in trenching in a small degree on the reserve fund to pay the amount of dividend then declared of £2 12s. 6d. per share. For this purpose they found it necessary to trench on the previous reserve to the extent of £2,867. On the present occasion, however, after paying the dividend of £2 10s. per share, there is £1,470 added to that reserve. (Cheers.) We shall see at the close of the year in July how far we can again act on the state of accounts to be then submitted to you. Meanwhile I hope it will be satisfactory to you to know that, although the present dividend is 2s. 6d. a share less, yet that the reduction arises chiefly, not alone, from our not further trenching on the rest, but our adding £1,470 to it. (Hear, hear.) With respect to the general position of the bank, I am happy to be able to reiterate what is stated in the report, that a very clear and able survey of our branches reached us by the last advices from Mr. Inspector M'Donald, in which he gives us the full assurance that never at any time did this bank stand higher in the colony, and that he was thoroughly convinced we were not at any disadvantage, even though we were cautious in abstaining from encouraging the competition to which reference is made in the report. (Hear, hear.) I have also to state to the meeting that every account having been thoroughly investigated and all bad debts written off, the amount of reserves kept in hand against doubtful dependencies, owing to the improvement of several estates, is in a much better position now than at our last meeting. We can, therefore, I think, look forward with perfect satisfaction to the state of our colonial establishments; and I am convinced that no effort has been spared or will be spared by our officers abroad to maintain the high standing of the Union Bank of Australia. If any gentleman has any questions to ask I shall be most happy to answer them as far as lies in my power; after which I shall propose the ordinary resolution, "That the report now read be adopted and printed for the use of the proprietors."

A Proprietor—Will you be kind enough to inform us what is the amount of the reserve fund for special purposes?

The Chairman—The amount set against doubtful dependencies is about £54,000, irrespective of a sum that we shall derive from property now about to be sold at Melbourne, which will add some £8,000 or £10,000 to it.—(Hear, hear.)

Captain Lawson wished to know if the £50,000 reserved at the last meeting was to be considered as lost?

The Chairman—It was not lost, but reserved against doubtful debts, that could not be called "bad" at the time. Many of the estates had since improved, and a portion of the sum was still in reserve against future bad debts.—(Hear, hear.)

A Proprietor—The statement which the chairman has now made is a satisfactory one, because it was distinctly stated at the last meeting that the £50,000 was exhausted.

The Chairman—I should be sorry if a wrong impression were to go abroad upon this subject. What was stated was that that sum was all required to set against what appeared to be doubtful. All bad debts were written off, as they are now.—(Hear, hear.)



**A Proprietor**—Is the amount now held in reserve fully equal to meet all the doubtful debts ?

**The Chairman**—We believe it to be beyond all that we have any reason to believe in any kind of way doubtful.—(Hear.)

**A Proprietor** was not aware that in the previous account so large a sum as £50,000 was allowed for bank premises and property. What was the increase ?

**The Chairman**—The increase during the half-year is about £2,000. On account of the expansion of our business we are obliged to raise new branch buildings ; and in one instance we have erected new premises instead of renting old ones, and such an increase will, I presume, continue to be necessary from time to time. We believe that the banking premises may be put down as worth more than double the sum mentioned in the account.—(Hear.)

**A Proprietor**—And all paid for ?

**The Chairman**—Yes. (Hear, hear.)

The motion for adopting and printing the report was then put to the meeting, and carried unanimously.

**Captain Lawson** asked if it were not possible to place the bank under the Limited Liability Act.

**The Chairman**—No ; banks are specially excepted from the provisions of that act. (Hear, hear.)

**Captain Lawson**—Seeing that so many banks have gone wrong, perhaps it would be advisable for us to come under that enactment. (Expressions of dissent.)

**The Chairman**—I am really inclined to think, from experience, that unlimited liability, with good management, is the safest. (Hear, hear.) I never did value charters, and do not value them now, though I may possibly change my opinion.

**Mr. James**—We have £200,000 reserve invested in the English funds, £50,000 set against doubtful debts, and £8,000 or £10,000 from a sale of property at Melbourne, to meet any unexpected casualties. That, in my opinion, is our safety-valve. As long as we have that we shall not require limited liability. (Hear, hear.) We have had the pleasure to-day of listening to an extremely satisfactory report—one of the best, indeed, that has ever been presented to us—and I am sure it is impossible for us, as proprietors, to leave this room without expressing our thanks to the directors for the care and caution with which they have transacted our business in the colonies. (Cheers.) I beg to propose, therefore, that the thanks of the meeting be given to the chairman and the board of directors. (Loud cheers.)

**A Proprietor** seconded the motion, which was then put to the meeting by **Mr. James**, and carried by acclamation ; and the compliment having been briefly acknowledged by the chairman, the proceedings terminated.

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#### THE CITY BANK.

THE second ordinary general meeting of the shareholders was held January 20th, 1857, at twelve o'clock, at the London Tavern, Bishopsgate-street. Sir Robert Carden presided. The following is the report.

The directors have much pleasure in meeting the proprietors, believing that it will be agreeable to them, at the present time, to receive a report of the progress and operations of the bank for the last six months, although the deed of settlement does not require the directors to convene half-yearly



meetings. The accounts of liabilities and assets and profit and loss, now submitted, show that after deducting current expenses, a proportion of building expenses, making ample provision for bad and doubtful debts, and also after allowing interest to the amount of £14,951 3s. 3d. on current and deposit accounts, the directors are enabled to declare a dividend for the half-year ending the 31st December last at the rate of £5 per cent. per annum, free of income tax, and to carry forward the sum of £3,742 10s. 7d. to the profit and loss new account, to be dealt with on the 30th June next, that being the termination of their financial year. The directors, under the conviction that the success of the bank mainly depends upon its being so conducted as to secure public confidence, have, during the past half-year, increased the amount of its available securities by further purchases of exchequer bills. The low rate of interest these securities bear as compared with that which has been current in the money market, and the present low price at which they are valued in the annexed account, have necessarily diminished the amount of profit; nevertheless, the directors doubt not that the course which they have adopted will meet the approval of the shareholders. The City Bank was admitted to the clearing house on the 1st October last, and now offers all the advantages enjoyed by the older joint stock banks of the metropolis. The directors congratulate the proprietors on the continued increase of its business, and they trust the respective shareholders will join with them in making every exertion to promote its further prosperity. The dividend will be payable on and after Monday the 26th instant.

## LIABILITIES.

Capital paid up, viz., £50 per share on 4,500 shares ...	£225,000	0	0
Amount due by the bank on current and deposit accounts ...	944,475	7	4
Amount of reserved fund ...	10,000	0	0
Profit and loss, for balance of that account ...	20,857	3	5
	<hr/>		
	£1,200,332	10	9

## ASSETS.

Exchequer bills and bonds, and East India Bonds ...	£143,174	1	1
Bills discounted, loans, cash, &c. ...	1,031,713	4	1
Building, Furniture, &c.—Payments to this date ...	25,445	5	7
	<hr/>		
	£1,200,332	10	9

*Profit and Loss Account for the half-year ending 31st December, 1856.*

Dr.

Current expenses, including salaries, rent, stationery, directors' remuneration, proportion of building expenses, allowance for bad debts, income tax, &c. ...	£6,589	6	9
Amount carried to profit and loss new account, being rebate of interest on bills discounted, not yet due ...	4,900	6	1
Dividend account, for the payment of a dividend at the rate of £4 per centum per annum, upon £225,000, amount of paid-up capital upon 4,500 shares ...	5,625	0	0
Surplus profit, transferred to the credit of profit and loss, new account ...	3,742	10	7
	<hr/>		
	£20,857	3	5



Balance brought down	...	...	...	...	...	Cr.	
						20,857	3 5
						<hr/>	
						£20,857	3 5
						<hr/>	

The usual preliminaries having been gone through,

The Chairman proceeded to say, Gentlemen, the report you have just heard is short but expressive. I believe it contains nearly everything peculiarly interesting as regards your establishment. The directors, as you are aware, by the deed of settlement did not originally contemplate meeting you half yearly, but in these disastrous times, when there is so much profligacy existing, and such uncertain and inadequate punishment inflicted upon the offenders, the directors thought it their duty to meet you as often as they could—their wish being to state to you fully and clearly the manner in which your affairs have been conducted. (Applause.) In these times I think it highly necessary that the directors should frequently convene the shareholders for the purposes I have mentioned. It may be true that we may have nothing to communicate; but if the proprietors meet and no questions are asked, the circumstance is so far satisfactory. We have not only given you a short report, but we have given you a statement of the assets and liabilities of the Bank. These assets and liabilities have been verified by two of the most troublesome auditors that ever tested the accounts of any bank or other public institution. When I say troublesome I do not mean troublesome in an offensive sense, but I do say that I never saw two gentlemen take such pains, I may almost say unnecessary pains, to arrive at the truth. They were determined to sift everything (applause) from beginning to end. In one case they would not take the affidavit of our manager or the affidavit of the secretary of the Board of Trade, being determined to see for themselves that every share was originally taken and the money placed to the credit of the bank. I do not say this as matter of blame. I mean to say that when two such auditors have verified the bank's accounts, you may be assured that the audit may be relied upon.

With regard to the dividend, I hope you do not feel disappointed. Allow me to allude to the fact that the proprietors of the London Joint Stock Bank were satisfied for five years to receive a dividend of five per cent. In reference to the dividend we propose, I may mention that the directors are anxious to establish the bank on such a solid foundation that nothing is likely to interfere with its future prosperity. When you recollect that the bank has only been established for eighteen months, that the advantage of the clearing house only dates from the first of October, when you remember that all our preliminary expenses—a thing hitherto unheard of in the history of banks or other public companies—have been cleared off, we may well congratulate ourselves on the success of the bank. (Applause.) The gross profits for the first eleven months amounted to £21,790; for the last six months, the gross profits amounted to £20,800, showing very nearly the same amount of profit for the six months as accrued during the eleven months. (Applause.) There is a peculiar feature in connection with our operations which shows the confidence which the public have in joint-stock banks, and the advantage they derive from them. I do not think the public are sufficiently aware of the advantage of keeping a banking account. It will be seen from the report that £14,954 has been paid for interest. Of that sum a large portion was paid on current accounts. In other banks this is lost entirely to the public. When it is considered, I repeat, that £14,951 has been distributed as interest to the depositors and customers of the bank during the



past six months, surely, when this fact is known to the public, they will see the advantage of keeping an account with a joint-stock bank—I mean with the City Bank. (A laugh.) The expenses probably may appear to be rather large, and upon this point I wish to make an explanation. We have a large staff; but clerks require to be drilled, and that drilling necessarily requires time. We are now “open” to a great many more accounts, and in managing the increased business no additional expense will be incurred. In declaring a dividend of 5 per cent., the directors were of opinion, and I concurred with them in that opinion, that a dividend of 5 per cent. should almost be a fixed rate on the original capital, leaving the surplus to be appropriated at the end of the financial year as a bonus, thus making a 5 per cent. stock subject to a bonus. The dividend of 5 per cent. proposed now to be paid will amount to £5,625. The sum transferred to the credit of profit and loss and subject to division at the next general meeting amounts to £3,742. This is equal to 3 per cent. more than we really divide at present. So that if the directors had acted imprudently, which I trust they never will do, we could have declared a dividend now at the rate of 8 per cent. per annum. I think it more desirable that we should divide 5 per cent. now, and wait till June and see what the bonus will come to. I will repeat my belief that the bank is founded on a solid basis. We believe that with your assistance (great good has been done by the assistance already rendered) in bringing new accounts—if each proprietor would bring a new account every year, and that is not asking much, the benefit resulting from the exertion so made would be felt at our June meeting when the bonus comes to be declared. (Applause.)

Mr. East remarked that for his own part he was better satisfied with a dividend of 5 per cent. than he would have been with a higher rate. The proprietors must be glad to see the bank established upon a sound footing. He wished to know if the reserved fund stated at £10,000 formed part of the money laid out in the purchase of Exchequer bills?

The Chairman—It does form part of the money so applied.

In answer to another question, the Chairman stated that £500 had been applied to the building fund for the six months. In the case of the past eleven months, £1,000 was put aside for the same object.

Mr. East—Is it intended to issue any additional capital? If the question is inconvenient or improper I will not press it.

The Chairman—I will answer the question. The subject has been under discussion, and there can be no doubt that the success of the bank will compel us to issue additional shares. The directors have not come to a decision, but it is likely that another 1500 shares will be issued in course of the year, making the paid-up capital £300,000.

The dividend was then declared, and the report unanimously adopted.

Mr. Sidney Gurney, after expressing the gratification he felt at the progress the bank was making, remarked that every shareholder must feel himself greatly indebted to the directors for their successful exertions. He would therefore move that the best thanks of the shareholders be tendered to the directors for the combined wisdom and energy with which they have conducted the affairs of the bank.

The vote was carried with acclamation.

The Chairman—I may say for the directors and myself that we are extremely gratified at this mark of your confidence. Looking at all the circumstances of the case I do heartily hope and believe that we shall be successful. I always said and thought that we have got the best situation for a bank, and I have always thought and said that we shall be the best bank in London. (Applause.)



A Shareholder remarked that a successful bank could not be expected without a good manager. In proposing a vote of thanks to Mr. White, the able and respected manager, he must express his belief that no bank in London possessed an officer better deserving the confidence and support of the proprietors than did Mr. White.

The vote was carried with much applause.

Mr. White—I sincerely thank you for the honour done me. You may rest assured that my continued exertions shall be given to whatever tends to advance the prosperity of the bank.

Mr. Rasch (one of the auditors) in acknowledging a vote of thanks, mentioned that he and his colleague had received the utmost assistance from the directors and all concerned in carrying out the business of the audit. He must express his conviction, founded upon a complete and searching inquiry, that the bank rested upon a sound basis, and that its operations were admirably conducted. The shareholders need have no fear of the management falling into those melancholy practices of which they had all read and heard so much.

The proceedings then closed.

#### LONDON AND WESTMINSTER BANK.

The annual meeting of this bank was held at the chief offices, in Lothbury, on the 21st January, Mr. Alderman Salomons presiding.

The minutes of the last half-yearly meeting having been read, the following report and statement of accounts were laid before the proprietors:—

“The directors have the pleasure to report that—after making provision for all bad and doubtful debts, paying the income tax, setting apart £2,000 towards the new buildings in Lothbury, Bloomsbury, Temple-bar and Southwark, and presenting a gratuity of 10 per cent. on their salaries to all the officers of the establishment—the net profits of the bank for the last half-year amount to £84,755 8s. 7d., which, added to £8,510 3s. 8d., the unappropriated profits of the preceding half-year, make a total of £93,265 12s. 3d. Out of this amount the directors have added to the rest or surplus fund the sum of £2,287 5s. 8d., making the total amount of that fund £150,000; and they now declare a dividend to the shareholders of 6 per cent. per annum, and also a bonus of 6 per cent. upon the paid-up capital. After these payments are made there is an unappropriated balance of £978 6s. 7d., which remain to the credit of the profit and loss account. The vacancy in the direction, occasioned in last year by the lamented death of the late Mr. Burmester, has been supplied by the election of William Tite, Esq., M.P., F.R.S., and that occasioned by the resignation of Mr. Alderman Farncomb has been supplied by the election of Bonamy Dobree, jun., Esq., subject to the confirmation of the present meeting. After this confirmation, the three directors who go out by rotation will be Henry Bosanquet, Esq., Bonamy Dobree, jun., Esq., and David Salomons, Esq.—all of whom offer themselves for re-election.

*Dr.*

To proprietors for paid-up capital...	...	...	£1,000,000	0	0
Amount due by the bank on deposits, circular notes, &c.	...	...	11,438,461	11	0
Rest or surplus fund	...	...	147,712	14	4
Balance of profit and loss account	...	...	8,510	3	8
Net profits of the past half-year	...	...	84,755	8	7
			<b>£12,679,439</b>	<b>17</b>	<b>7</b>



*Cr.*

By Government stock, Exchequer bills, Exchequer bonds, and India Bonds ... ..	£2,011,282	3	1
Other securities, including bills discounted, loans to customers, &c. ... ..	9,548,566	13	4
Cash in hand ... ..	1,119,591	1	2
	<u>£12,679,439</u>	<u>17</u>	<u>7</u>

*Profit and Loss.**Dr.*

To total expenditure of the seven establishments, including rent, taxes, salaries, stationery, &c., with a gratuity of 10 per cent. on their salaries to the officers of the establishment ... ..	£32,234	0	4
Amount set apart towards the new buildings in Lothbury, Bloomsbury, Southwark, and Temple Bar, £500 each ... ..	2,000	0	0
Payment of the dividend now declared, at the rate of 6 per cent. per annum, for the last half year, on the paid-up capital of £1,000,000... ..	30,000	0	0
Bonus of 6 per cent. on the capital ... ..	60,000	0	0
Amount added to rest on surplus fund ... ..	2,287	5	8
Balance of profit and loss account ... ..	978	6	7
	<u>£127,499</u>	<u>12</u>	<u>7</u>

*Cr.*

By balance of profit and loss account on the 30th June, 1856 ... ..	£8,510	3	8
Gross profits of the last half-year, after paying the income-tax, and making provision for all bad and doubtful debts ... ..	118,989	8	11
	<u>£127,499</u>	<u>12</u>	<u>7</u>

*Rest or Surplus Fund.**Dr.*

Present amount ... ..	£150,000	0	0
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*Cr.*

Amount on July 1, 1856 ... ..	£147,712	14	4
By amount added from profit and loss account ... ..	2,287	5	8
	<u>£150,000</u>	<u>0</u>	<u>0</u>

The Chairman said, it now became his agreeable duty to move the adoption of the report, and he believed he might fairly venture to congratulate them on their position. (Cheers). They would see by the report that at the close of the half-year their deposits amounted to nearly £11,500,000; showing, not only a highly satisfactory state of affairs, but that the bank continued to make steady progress in the estimation of the public; and he might inform them that since the accounts were made up, their deposits had still further increased. At this time last year their



deposits only amounted to about £9,000,000, whilst they now exceeded £11,500,000. They would see by the details of their balance-sheet that £2,000 had been set apart to pay for the augmentation and improvements in their buildings, to provide for the extension of their business. By the amount paid during the past half-year, the expenditure on the house they were then in had been reduced from £8,000 to £1,500, and he hoped next year to find that it was all paid off out of their profit and loss account. Upwards of £3,000 had also been appropriated by the directors to present a bonus to the officers of the establishment. (Cheers.) They had found that during the last few years such an appropriation had given the utmost satisfaction to the shareholders, who felt with the directors that it was but right their officers should participate with them in their increased success. (Cheers.) He would only observe that though this payment had continued four years, it was not a settled thing. Should any circumstances arise to render it inexpedient to continue the amount, or should the directors deem it advisable to appropriate to the formation of a superannuation fund for the interest of the bank and the gentlemen who for many years had so zealously assisted them, they would do so. The dividend and bonus now declared was 9 per cent. for the half-year, being at the rate of 18 per cent. per annum, and making for the past year, with the dividend paid at the close of the first half year of eight per cent., seventeen per cent. for the twelve months. (Cheers.) This dividend and bonus was paid out of the actual *bond fide* profits of the business, without interest or stock, and after making an ample deduction for any contingent loss which might fall on the establishment. He thought it right to address them strongly on this point before coming to another of great importance. He could not, however, come to that point until he had referred, as he was bound to do, to the loss of a late lamented colleague—and one of the earliest directors, of whom he could not speak without feeling how great had been the loss they had sustained. Mr. Burmester was a man of the most friendly character and bore a highly honourable name, and it was satisfactory to feel that he had been spared sufficiently long to see this bank become one of the greatest commercial ornaments of the metropolis. He could not forget the time when they first assembled round a mahogany table, in Winchester-street, to consider the propriety of forming this bank. There were but six of that party left before the death of Mr. Burmester, and it was now reduced to five, all of whom were then present, and he hoped they might be spared, himself included, many years to witness the continued prosperity of the bank and its increased usefulness to the public. (Cheers.) In the room of Mr. Burmester the directors had elected Mr. Tite into the board. That gentleman was well known to the proprietors; he was an old shareholder in the bank, a constant attendant at their meetings, well known in the City, and if not exactly a commercial man, connected with many influential public companies. The directors had therefore great pleasure in recommending him to the shareholders, who, he trusted, would confirm the election. Another vacancy had also occurred at the board through the resignation of his worthy colleague, Mr. Alderman Farncomb, and the directors had elected to fill his place Mr. Bonamy Dobree, a gentleman of high character and commercial name, whom they also recommended to the proprietors. He now came to a very important point—the actual amount of the reserve fund. In July, 1854, the general meeting imposed an obligation on the directors not to increase that fund beyond a certain amount. They thought £150,000 was an ample rest or reserved fund for the bank, and they imposed an obligation on the directors that it should not be added to beyond that amount without a special reso-



lution of the shareholders at a general meeting, notice being given of that resolution. The directors had religiously respected the determination the shareholders came to, and they had now only added £2,287 5s. 8d. to the fund to complete the amount of £150,000—leaving an unappropriated balance of £978 to the credit of the profit and loss account of the last half-year. It was necessary to call the attention of the meeting to the circumstances in which they were placed as regarded the passing of that resolution. The deposits instead of amounting to £11,500,000, at which they now stood, were then only about £7,000,000, and they were now dividing much larger profits than at that time. Having so far respected the resolution, the directors hoped that some gentleman in the meeting would move that it be rescinded, and the reserve fund increased; for he trusted it never should be said that, carrying on a large business, they divided the profits in such a spirit of covetousness, that whilst taking to themselves large dividends they did not add 1s. to the reserve fund. (Hear, hear.) He would tell them that the directors would in the strongest terms throw upon the proprietors the responsibility of continuing the reserve as it now stood, or of increasing it in proportion to the increase of their business. He trusted therefore that the directors would be allowed to increase it by the accruing interest on the fund until a larger amount was obtained. He might now observe that, with regard to their accounts, they were prepared to explain them in the utmost detail which did not involve the interest of third parties, or might appear likely to damage the interests of the bank. It was his individual opinion that, looking at the position these great establishments had assumed in the city of London—their high credit—the large amount of their deposits, and their importance as regarded the commerce of the country, it should be obligatory on all bankers to give the utmost detail of their business, not to one class, but to all. (Hear, hear.) It was his opinion that the more details they gave the greater should be the privileges accorded by Government. It was their wish to give the utmost detail, so that honest, straightforward men might at once see their accounts were honestly rendered. (Cheers.) He begged to move that the report be received, adopted, and circulated amongst the proprietors. (Cheers.)

After a few observations, in which it was explained it would be better to go through the general business before the subject of the reserve fund was brought under consideration.

Mr. Hadow seconded the motion for the adoption of the report.

In reply to a question it was stated the bank lost £2,000 by bills discounted for Barclay and De Jonge—all of which had been written off.

The resolution having passed unanimously,

The chairman moved the confirmation of the election of Mr. Tite to the direction.

Mr. Church had great pleasure in seconding the resolution, having observed the interest Mr. Tite had always taken in the affairs of the bank, and he having been instrumental in carrying the resolution for limiting the reserve fund. He had no doubt the interest he had always shown for their advantage at the meetings of proprietors would be carried by him into the board room.

Mr. Moxon thought, before the resolution was put it was important to ascertain what were the qualifications of Mr. Tite for a seat at the board. After what had taken place in the Royal British Bank it was essential that they should see that they elected as directors only gentlemen who could attend to the duties of the bank. If Mr. Tite were the director of twenty companies, the commander of the Channel fleet and the Indian army—(laughter)—performing his duties by telegraph, he was not the man



for them. There was no one who had not observed without concern the widespread ruin which had fallen on the community by the failure of the Royal British Bank, and they must take care that they did not, by electing gentlemen who had not sufficient time to attend to the duties, fall into a lax system of management which might endanger their position. He should like to know to how many public companies Mr. Tite belonged?

The Chairman supposed that Mr. Tite would have no objection to answer the question. In selecting Mr. Tite to enter the board, the directors felt they incurred great responsibility; and they did not do so without ascertaining from him that his engagements were such only as would enable him to give a steady attention to the duties required of him. He told them frankly that he could give that attention. He (the Chairman) believed Mr. Tite had given up his profession, and he had hitherto closely attended to the duties of the office. He could not hear with complacency any comparison of their bank with the Royal British Bank. Last year he told them that they had far more to fear from the misfortunes of their neighbours than from any competition. With regard to the British Bank, the London and Westminster had nothing in common, either in capital or management. Many of the directors were probably as respectable as themselves, but in the London and Westminster every cheque was checked off at the end of the year, every security examined, every bank note gone through, and every sovereign weighed, by different directors, so that they became auditors over each other. (Cheers.) He might add also, that there were no parts of their liabilities not fully ascertained and provided for. (Cheers.)

Mr. Tite was glad the question had been put, though he fully agreed that there could be no comparison between their bank and the Royal British. It was absolutely impossible that their business could be conducted without the utmost care and personal attention; and before taking his seat at the board, he put the question to himself whether he could give the necessary attention to the business. He was not there for his own seeking, but he was requested to become a candidate for the direction by a requisition numerously signed by the proprietors. When he received the requisition, he applied to the secretary as to the nature of the duties. He found them most onerous, and such as would call upon him to give up other duties; and he made arrangements for fully attending to the interests of the bank. (Cheers.) With regard to his other engagements, he would not be there as a director if he did not feel he could conscientiously discharge the duties of the office; and if at any time he felt from failing health or abilities, he could not do so, he would at once retire.

Mr. Tite having been re-elected, Mr. Bonamy Dobree and the retiring directors were also unanimously re-elected.

The Chairman said he thought the question of the reserve fund might now come fully and fairly before them. He would suggest that the balance on the half-year of 1878 6s. 7d. should be carried to the reserve fund, which should continue to bear interest and be increased by any indivisible surplus on the half-year's accounts until it amounted to £250,000.

In reply to a question,

The Chairman said the resolution limiting the reserve to £150,000 was passed in July, 1854, when the reserve only amounted to £125,000, and their deposits to £6,892,000. It was then determined that the reserve should not be increased beyond £150,000, excepting by a vote of a general meeting, of which special notice had been given. He was bound to tell them that with the exception of Mr. Tite, the board were unanimously of opinion that the resolution was impolitic, and that it should be rescinded. They would not, however, increase the amount until they had submitted



the subject to the general meeting. He trusted that the prudence which had always guided their affairs, would show them the advisability of increasing the fund as he proposed. They should recollect that the deposits with the London and Westminster from the public were even larger than those of the Bank of England; and the whole financial arrangements of the country were likely to come under Parliamentary supervision, he trusted that it would not be in the power of any person to say that the oldest and most important of the joint-stock banks, whilst it went on increasing its dividends, did not make a sufficient reserve for the future.

A conversation ensued in which, though it appeared to be the opinion of the majority of the meeting that the reserve should be increased, it was deemed impolitic to alter the decision of the prior meeting without notice being given in the words of the resolution, and the chairman consented to let the matter stand over till the next half-yearly meeting—the directors in the meantime keeping the interest on the reserve fund apart from the general funds, and then to take the opinion of the shareholders as to its application.

The Chairman said it had been customary at their meetings to express their approbation of the services of their managers and officials, to whom the directors and proprietors were greatly indebted. He could fairly say that it was to the zeal and ability of Mr. Gilbart and the other officers they mainly owed their prosperity—and it was rare to find 160 or 170 gentlemen who worked so well together—the directors holding in the highest estimation the whole of the staff.

The resolution was seconded and carried unanimously, amidst loud applause.

Mr. Gilbart said he had now for twenty-three years had the pleasure of annually receiving a vote of thanks from the proprietors. He was the oldest servant of the bank, though he was surrounded by gentlemen who joined it soon after it was founded. He had the advantage of those gentlemen in length of connection with the bank; and, as years rolled on, he found that some of those whose wisdom and energy had assisted him in his labours had passed into night. The year before last they lost their esteemed assistant manager of the City office, and Mr. Vile, of the Westminster branch. During the past year he had to regret the loss of Mr. Kingsford, the manager of the Southwark branch. That gentlemen opened the branch in 1836, and successfully managed it until November last, when he was taken from amongst them. He could not pass without bearing testimony to the value of the services of his old colleagues, and though he could not indulge in the anticipations of their chairman, who was a much younger man than himself, of being much longer amongst them, he could assure them that so long as he had that honour he should use his utmost exertions to promote the interests of the bank, being fully sensible of the confidence so kindly reposed in him. (Cheers.)

Votes of thanks to the directors and chairman closed the proceedings.

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#### BANK OF LONDON.

A special general meeting of the shareholders of this bank was held on the 26th of January, at the London Tavern, Sir J. V. Shelley, M. P., in the chair, "for the purpose of receiving a report and declaration of dividend by the board of directors."

After the usual preliminaries,



The Secretary, Mr. B. Scott, read the following report: "The deed of settlement of the bank contemplates one ordinary general meeting annually, which the proprietors have already determined shall be held after the close of the financial period, ending on the 30th of June in each year; but your directors, considering recent circumstances, have thought it desirable to call the proprietors together on the present occasion of the declaration of a dividend, believing that opportunities for intercourse between directors and shareholders should be encouraged, as conducive to mutual confidence. The account of liabilities and assets, as vouched by the auditors, shows a balance standing to credit of 'profit and loss,' on the 31st of December last, of £16,904 9s. 11d., after payment of the sum of £20,238 12s. to customers for interest on their balances. The directors, having fully considered the provision to be made for bad and doubtful debts and other contingencies, have decided to declare a dividend for the half-year at the rate of £5 per cent. per annum, free of income tax, reserving a complete settlement of profit and loss until after the 30th of June next, as originally determined. It will be seen that the profits for the past half-year have not been proportionate to the business acquired, and it should be stated in explanation, that during that period the directors, as administering the affairs of a bank so recently established, have felt it their duty to make sacrifices to security at the expense of temporary profit, by keeping in hand ample available funds, and by the realisation of securities at a depreciation, acting under the conviction, that during a period of monetary pressure and general mistrust, they by such a course best consulted the interests of proprietors, and laid the surest basis for future prosperity. Notwithstanding the operation of exceptional circumstances upon immediate profit, the bank has, since the date of the last report, advanced steadily, and without intermission, in the acquisition of business. Current accounts, in particular, which are the chief source of profit, have increased thirty-three per cent. in number, and twenty-nine per cent. in amount of balances; and the directors are fully justified in asserting that the progress of the undertaking has been substantial, and that its prospects are highly satisfactory. The building expenses have been slightly augmented by the purchase of the lease and adaptation of the premises adjoining the Charing-cross branch, a step rendered necessary by the rapidly increasing business of that establishment. On the other hand, the directors have the satisfaction to report that they have made arrangements with respect to that portion of the premises in the City not required for business purposes upon advantageous terms. The bank was admitted to the facilities of the clearing-house on the 1st October last. Your directors again acknowledge with satisfaction the support they have received from the shareholders in the introduction of business; and they rely with confidence on their continued co-operation to maintain and improve the important position which the bank now occupies.

*Liabilities and Assets.—31st December, 1856.*

<i>Dr.</i>									
To capital paid up	...	...	...	...	...	£300,000	0	0	
Reserve fund	...	...	...	...	...	8,000	0	0	
Amount due by the bank on current and deposit accounts	...	...	...	...	...	1,256,624	16	11	
Amount carried to credit of profit and loss account (after payment to customers of £20,238 12s. for interest on their balances)	...	...	...	...	...	16,904	9	11	
						£1,581,529	6	10	



*Cr.*

By investments, viz. :—			
In Government securities ... ..	£254,333	6	2
In other securities ... ..	24,587	18	7
In freehold premises, Threadneedle-st.	65,000	0	0
	<hr/>		
		£343,921	4 9
By cash in hand at the Bank of England and at call ...		190,315	1 7
Bills discounted, loans, &c. ... ..		1,031,421	12 4
Building expenses, furniture, fittings, &c., Thread- needle-street and Charing-cross ...	£9,084	13	1
Preliminary expenses, viz., deed of settlement, charter, advertising, &c.	6,786	15	1
	<hr/>		
		15,871	8 2
	<hr/>		
		£1,581,529	6 11
	<hr/>		

The Chairman, in moving in the usual terms the adoption of the report, said he must commence by congratulating the proprietors present on the satisfactory increase of the business of the bank—an increase which had not been sudden or fluctuating, but had steadily progressed day by day until the bank had reached its present position. (Cheers.) When they recollected that that bank had been in existence only sixteen months, and when they found that in that period it had done an amount of business equal to that which was done by other joint-stock banks after they had been in operation four or five years, they must all feel that the directors were entitled to congratulate the meeting on the position which the bank now occupied. (Cheers.) More especially was it satisfactory to observe from the gradual increase of current accounts, that public confidence had never wavered in reference to this concern, notwithstanding the failure of the Royal British Bank, an event which might have been expected to inflict on any new bank the greatest possible injury. (Hear, hear.) The directors had thought fit to point out in their report that the profits of the bank, as there announced, were not commensurate with the increase of business. In the position which they occupied as trustees, not only of the property of the shareholders, but also of the funds intrusted to the bank by the public, they felt that it became them to cast aside all temptation to make enormous, hasty, and, perhaps, fluctuating profits, and to pursue a course which would tend to place the bank on a firm foundation, and to secure for it hereafter one of the highest places in the City of London. (Hear.) Under these circumstances, instead of expressing regret at not having made such large profits as they might have done, they claimed credit with the proprietors for having done what every cautious and careful man would desire to do in a similar case, and when they saw a storm in the horizon made all taut on board ship, that they might be ready for every emergency. (Cheers.) If, indeed, they could have foreseen all that had occurred, if they could have anticipated not only the assistance which the shareholders would render to them by bringing business to the bank, but also the undeviating confidence which the public had reposed in them, they might perhaps have ventured further in the realisation of profits; but, looking to all that had occurred, and more especially to the uneasiness which had prevailed, they would not have been justified as honest men in acting otherwise than they had done. In order to be prepared for any thing which might arise, they had kept within reach funds which they might have employed; in one instance they had even made a sacrifice, but they felt that they were justifi-



fied in doing so for the sake of the future, and in order that the bank might acquire for itself a place among the first undertakings of a similar kind in the City of London. It would be recollected that at the last meeting he, as the mouthpiece of the directors, said that, in order that the audit might be a satisfactory one, the board wished the auditors to be appointed by the proprietors, without any interference on their own part. Three independent shareholders were accordingly selected as auditors by the meeting, and he was bound in justice to them to say that, on the failure of the Royal British Bank, those gentlemen instantly came to the bank, and made a most minute, careful, and strict investigation into its affairs, and placed themselves in such a position that if there had been any thing wrong they could at once have reported it to the proprietors. (Hear, hear.) Their services were rendered gratuitously, the directors rendering them all the assistance in their power; and nothing could have been more satisfactory to himself individually, and to every one of his colleagues, than the circumstance of auditors coming forward to relieve them from the awful responsibility which at that time rested upon the boards of every joint-stock bank in the metropolis. (Hear, hear.) The meeting was aware that their charter contemplated the holding of only one meeting in the year. But although they might have simply declared a dividend, as was done in the Union Bank, the directors thought that under the circumstances to which he had adverted, it would conduce to mutual confidence and mutual satisfaction to afford the proprietors an opportunity of making inquiries on any subject upon which they might desire information; and he had only to say, in conclusion, that the board were ready to answer any question which any proprietor might think proper to put. (Cheers.)

Mr. Frith, deputy chairman, seconded the motion.

Mr. King said he should avail himself of the invitation of the chairman, as regarded the obtaining information. He happened to be an unfortunate shareholder of the Royal British Bank, and they all knew the old adage, "The burnt child dreads the fire." He wished first to be informed whether the statement which had just been submitted by the directors was their own statement, or whether they had taken it from their officers, without having looked through the accounts themselves.

The Chairman begged to assure the meeting that the whole of the accounts had undergone a thorough sifting by the directors. (Hear, hear.) The board appointed a committee to investigate the whole matter. That committee reported to the board, and he believed every member of the board, with the exception of one, who was ill, was present when the report was made and considered.

Mr. King said, he had another question to put relating to advances. He wished to know whether advances were made to the directors and other officers of that bank, and if they were, whether any director was allowed to give an opinion in reference to advances to himself?

The Chairman said, he was extremely glad that that question had been put. (Hear, hear.) After all that had occurred, it was highly important that there should be no mistake as to the manner in which that board conducted its affairs. In reference to advances to directors, there was greater caution—greater scrutiny—than in reference to advances to an ordinary customer of the bank. (Hear.) There was a committee of the board by whom every application for an advance was considered and scrutinised, and under the rules established, no director who applied for an advance could sit on that committee.

Mr. King wished also to know whether the board ever lent money on the shares of the bank, or ever trafficked in them?



The Chairman said, it would be contrary to the charter to make any advance on the shares. There was no trafficking in the shares.

Mr. King observed, that he considered the answers to all his questions very satisfactory. (Cheers.)

Mr. Nicholson complained that no profit and loss account had been presented, the report confining itself to a statement of assets and liabilities.

The Chairman reminded the hon. proprietor that a full statement of the position of the bank was given only once a year, extending up to the end of the financial year, namely, the 30th of June.

Mr. Nicholson would be glad to have an assurance from the chairman that, after paying the whole of the current expenses, up to the end of December, and deducting the rebate of interest on bills not due, there remained  $2\frac{1}{2}$  per cent. for division.

Mr. Frith, deputy-chairman, said, he could assure the hon. proprietor that the profits of the bank up to the 31st December justified the declaration of a dividend of  $2\frac{1}{2}$  per cent. (Hear, hear.) After paying that dividend, there would be an ample balance to meet every contingency to which the bank was liable.

Mr. W. G. B. Gunton observed, that at the Union Bank there was on such an occasion as that, a simple declaration of dividend, adding that he was himself perfectly satisfied with the statement which had been made. (Cheers.)

Mr. Fitzhugh, advertng to the chairman's remark that the directors had been compelled to make a sacrifice in order to retain in hand sufficient funds, inquired whether there was any outstanding loan or advance on securities which might be regarded as locked-up capital, or capital which could be easily realised?

The Chairman replied that there was no money advanced on locked-up securities; all the securities held by the bank were convertible within nine months, and most of them within a much shorter period.

In reply to a further question,

The Chairman said the bank had had no bills that were rediscounted.

Mr. Robb and Mr. Lambert expressed their cordial approval of the policy of the directors, and their confidence in the future prosperity of the bank.

Mr. Frith, alluding to the subject of the sacrifice mentioned by the chairman, stated that in consequence of the stringent measures adopted by the Bank of England in the months of October and November, the directors made a sale of stock, by which the company sustained a loss of £5,500.

Mr. Johnson, one of the auditors, stated that owing to the failure of the Royal British Bank, and other joint-stock banks, he and his colleagues went to the bank, as stated by the chairman, some weeks ago, and made a most careful investigation, and the result was very satisfactory. This scrutiny they repeated last week, and with the like result. Every individual security was examined by them, and they found the books filled up to the last penny. He had never seen accounts which were more beautifully kept. (Cheers.)

Mr. Porter, another auditor, concurred in this testimony.

The report was then adopted unanimously.

Mr. H. G. Russell having complained of the supposed connexion of the bank with the assurance company which bears its name, and stated that he considered it prejudicial to the interests of the shareholders,

The Chairman said he could only repeat the statement which he had before made, that the bank had, in fact, no connexion with the assurance office. Some of the directors of the one were indeed directors of the other; but since the last meeting he had ascertained by inquiry that on the



boards of all the joint-stock banks of London there were directors of assurance companies. The only connexion of the assurance company in question with the bank was that it rented a portion of the company's premises, and had a handsome account with the bank. (Cries of "The name.") As to the name, he was informed that the assurance company, in a bill for which it was about to apply, would take power to alter the name, and thus remove the difficulty. (Hear, hear.)

Mr. Robb contended that the bank had benefited rather than suffered by its connection with the assurance company.

Thanks were then voted to the chairman and the directors, and the proceedings terminated.

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## Communications.

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### SAVINGS BANKS.

SIR,—Permit me to trouble you again on the subject of Savings Bank Reform. I wrote you on the same topic in October, 1853, about which time it was expected Government were to legislate upon the question. Nothing was then done, but it is possible in the present session some measures may be taken to shape out some course of action. The present system of management consists in the creation of a body of managers, from among whom are chosen certain to be trustees—the appointment, by the trustees and managers, of a treasurer, an actuary, and where necessary, clerks.

The duties of the managers consist in taking a general charge and control. The attendance of one is necessary, or at least is expected, at the office on each business day. The trustees, who also remain managers, are the parties through whom the funds more immediately pass, and in whom it is understood the money stands vested in the books of the National Debt Commissioners, and with whom the latter correspond. By the Act of 1844, the trustees and managers were made irresponsible to depositors, except for their own acts and intromissions. They are unpaid; they have the patronage, and appoint the other officials. These however, on appointment, are held responsible to the National Debt Office, and grant security bonds. The treasurer takes charge of the cash received from the actuary, supplies him with what is necessary for the current business, and remits the surplus funds to London, or receives the amount of the trustees' draft on the Commissioners; otherwise he seldom interferes in the working of the bank; he acts gratuitously. In most cases the treasurers are the local managers or agents of other banks, and consider the account a sufficient inducement for them to undertake the office. The actuary has the principal, and in a very large number of cases the sole, charge of the establishments. He receives deposits and makes repayments, keeps the books, makes up the returns, and conducts the correspondence.

The difference between the Government allowance of £3 5s. per cent. on the balance in the Commissioners' hands, and the interest paid to depositors, forms the fund out of which the expenses of the Bank are defrayed. Any balance over, after defraying salaries and charges, is credited to "a surplus fund." The interest allowed to depositors is left to the option of the trustees and managers of each institution, but is by the act not to be lower than £2 15s. per cent.



Periodical returns are required by the Commissioners, and if they correspond with the accounts in the National Debt Office, nothing more is heard of them unless occasionally through a blue book.

Such is a rapid sketch of the *modus operandi* of the present savings bank system. It will enable us to point out its weakness and suggest some improvements.

There is in it a want of that ample security to depositors which they should have, and a complexity in having so many unpaid officials, irresponsible and useless. The Commissioners declare themselves only liable for the balances placed in their hands by the trustees. The trustees are, by the act, irresponsible; so are the managers. The treasurer's responsibility is not clearly defined, except for the sums received from the actuary.

I would not propose to interfere with the offices of managers, as I will afterwards endeavour to show these gentlemen are of great service to the establishments. But the offices of trustees and treasurers might with propriety be abolished. They are unnecessary and cumbersome, in so far as they are required to sign states and vouchers. The actuary is both the real trustee and treasurer. His office necessarily gives him the principal control, and the others only act and are custodiers through him. They may be checks, but very slight ones. The treasurer has no power to control the actuary's operations, or refuse him the funds he states he requires; and the trustees have to depend upon his representations for the accuracy of the states he makes up and asks them to sign. While all is going on smoothly, the real power is delegated to him. Except in those establishments large enough to require several officials, he has the power to act almost as he chooses, without hindrance, and with little trouble and management. Upon his integrity, consequently, do the depositors depend, with the additional security afforded by his cautionary bond. I mean no slur upon these gentlemen—far from it; but frauds have occurred, and depositors have met with loss; hence, the necessity of such a change in the law and the management of these institutions as will protect them, and afford them that security and encouragement for which these banks were intended, and which their prospectuses even now hold out.

The plan I have to propose is as follows:—

1. The depositor to have the Government security for the deposits when made. The pass-book, with the balance initialed by the cashier or teller, to be the voucher of the debt due by the bank and the Government. The pass-book to be produced at the bank by the depositor at each transaction.
2. The banks, as at present, to be under the management of a body of managers, who should appoint the necessary officers to perform the duties, subject to the approval and under the control of the Commissioners for the Reduction of the National Debt. The managers to be irresponsible, and not required to give their attendance, sign papers, or to act, except at their periodical meetings. The office of trustee to be abolished. The working officials of the bank to consist of an actuary or cashier, and an accountant, with other clerks when necessary. The former to be the chief officer; to be responsible, in the first instance, for all that goes on in the bank, and for the cash. The accountant to keep the books, do the duties of teller if required, and generally to assist the actuary; both to give security, and be responsible to the Commissioners. The office of treasurer to be abolished, but the actuary empowered to lodge his balance of spare funds in a joint-stock bank in an ordinary account current. All statements and returns to be signed by the actuary and accountant, who is to be responsible for their accuracy.
3. Government Inspectors to be appointed, each to have jurisdiction over



a district or certain number of banks. His duty to be to proceed from bank to bank at uncertain periods, inspect the books, verify such pass-books as may come in, with the annual statements, and report the result to the Commissioners. All returns should be forwarded through him to the Commissioners, and be examined by him; copies of the annual balance-sheets, showing the balance at each individual depositor's credit, to be furnished to him, and such other states as he may demand, by which to verify the pass-books on his inspections.

4. The interest allowed to depositors to be fixed by the Commissioners at a certain rate per cent. for all banks, say, £2 15s., and not left optional to the managers.

5. The aggregate balances of the different savings banks to be credited to one common fund, out of the interest on which, allowed by the Commissioners, to be paid the interest found due to depositors at each 20th November, the salaries as fixed by the Commissioners and the other charges, these to be debited by each bank in its annual balance-sheet.

Such are what I humbly consider would be a useful alteration in the present savings bank law and system, and my reasons are shortly as follows :—

Clause No. 1 speaks for itself.

Clause No. 2 proposes the abolition of the offices of trustees, but proposes the retention of that useful body of gentlemen—the managers.

Knowing, as I had reason to do, while I was attached to one of these banks, the benefit which these gentlemen are to them in country districts, it would be impolitic to do any thing to impair their usefulness. Giving them the control of the internal management of the bank, and the patronage of its officers, makes them interested in its prosperity, and exert themselves beneficially for it, and for depositors; they are appointed from among the gentlemen and the clergy of the district, and they can and do influence many—their own servants and employees become depositors.

They give their valuable services gratuitously, and unless they intermit with the funds, which they have no right to do, it is hardly fair to make them responsible.

It also proposes the abolition of the office of treasurer, and the appointment of another officer besides the actuary in the bank. I am of opinion that all the officers of a savings bank should be paid, and have a direct interest in it, and a responsibility in its correct and proper management; the treasurer, at present, has not. He gives security, certainly, and without remuneration or reward, signs papers and returns where the balances in his hands are from time to time represented. Other than this, he is not required to interfere in the working of the bank, or to know aught than of the sums which, by the actuary's operations, pass through his hands. He, being generally a bank manager or agent, merely receives and pays such sums as the actuary chooses through an ordinary account current, and any banker would be happy to receive such an account without having any official status. The treasurer holding this anomalous position, it is evident that the public have to depend almost entirely, in the smaller banks, upon the integrity of the actuary alone. It is in these establishments that there is the greatest temptations for fraud, and hence the propriety of another paid official—the accountant. In the larger banks, this office already exists, and the adding it to the smaller banks, where an additional clerk is sometimes, at all events, employed, would not entail a great additional expense, and would give greater security. There would be less chance of fraud, except in case of collusion, to guard against which,—

Clause No. 3 proposes Government inspection. The periodical rounds of



an inspector would prevent any but a small fraud being long undiscovered. When anything has gone wrong, it has seldom occurred through a single act, but has been going on through a course of years unchecked. The unexpected call of an inspector, with his own verification of the pass-books as they come in, with the annual balance-sheets furnished to him, would go far to insure correctness. I need scarcely allude to the safety and accuracy with which transactions of far greater magnitude are passed through the ordinary banking establishments, and with the complete check which their system affords them, as an example of the efficiency of the plan proposed.

Clauses 4 and 5.—I do not think the present separate and individual system of allowing interest a good one, and it adds to the cost of these establishments to the country without affording a proportionate advantage. The expenses of a large bank are not in the same proportion to the deposits as a small one. Thus, only the former, with its accumulated funds, is able to give a higher rate of interest to depositors. In the case of many, it is 3 per cent., while the smaller banks, struggling with their expenses, are not able to give more than the minimum of £2 15s. The working inhabitants of the towns, in the savings banks of which these large balances accumulate, have thus, besides the other advantages of easy access and frequent opportunity of deposit, a direct money advantage over their brethren of the country, who have often to travel far and on inconvenient days to lodge their humble savings.

In Scotland, the average interest paid by the joint-stock banks for the last twenty years, has been about £2 15s. 6d. per cent., and there is no reason why the savings bank rate should be higher. Some may say it is an encouragement to depositors. I believe it is a matter of really little moment to the classes for whom these institutions are intended, but is taken advantage of by the classes above them. I am of opinion that £2 15s. is even more than should be allowed by Government, provided they interpose their security with the lodgment. The joint-stock banks can realise better returns for their accumulated deposits than the Government can allow without loss, and there is no necessity for the savings banks being competing establishments. If the joint-stock banks can afford to come down to meet the wants of the working and industrious classes, there is no necessity for the Government savings banks at all. Seeing these establishments are merely to supply a want, it is not right to expect the Government to lose upon them, more especially when the difference of a quarter or even a half per cent. would be a mere trifle upon the small balances of the *bond fide* savings bank depositors. Let us assume, however, the propriety of giving not less than £2 15s. per cent. By fixing the rate payable to depositors by all the banks, and by charging only the amount due, the salaries and other expenses, against the Commissioners, they would be enabled to place the surplus realised at the larger establishments as a set-off to the surplus expenses of the smaller ones, and the other general charges, without in any way preventing liberal salaries and allowances being made when necessary. The separate surplus funds already accumulated could be appropriated exclusively each to its own establishment.

These changes would, no doubt, do away with the present independence of savings banks, but it is an independence which is unnecessary. Each is part of the same system, intended for good to the community, emanating from the same source, and under the same general control.

The expenses of this proposed plan will be found to bear a favourable comparison with that at present in use. The following would be an ap-



proximation thereto, founding it upon Mr. Brotherton's Parliamentary Return of 1854, regarding the general amounts of which there is not yet much alteration.

Total Deposits, November, 1853, £33,227,394.

CHARGES UNDER PROPOSED PLAN.

Interest at the rate of £2 15s. per cent., due 20th Nov.	£913,753	0	0
Charges of 1,172 paid officers and general expenses, amounting, as given in the return, 1854, to 6s. 8d. per cent. on the gross deposits	110,618	0	0
Additional expense for accountants where there are none at present, but the additional officers would only be required in those establishments where now there is only one paid official; of these there are about 300, at say £15 each, or say, in all	£5,000		
The charges of inspection, salaries, travelling charges and other expenses, under, but say	£20,000		
	25,000	0	0
In all, about	1,049,371	0	0
The sum charged on the country in the shape of interest alone, without the other expenses, is £3 5s. per cent., paid thus—			
Interest for half-year to 20th May	£539,945		
Do. do. 20th Nov.	539,945		
Do. on previous half-year's interest	8,775		
	1,088,665	0	0
Leaving a surplus of	£39,294	0	0

to meet the general expenses now paid over and above the interest by the Commissioners, or, when considered necessary, to supplement the interest to any of the banks.

I am, sir, your most obedient servant,  
ALEX. SCOTT.

Since writing the above, I observe that Mr. Sykes, of the Huddersfield Banking Company, has most ably taken up the subject in a letter to the Chancellor of the Exchequer.

## Notes of the Month.

WHAT A MILLIARD IS.—We find the following curious speculations in the *Assemblée Nationale*:—"People may not in general have a clear idea of what a milliard (1,000,000,000fr.) in silver is. A milliard weighs 5,000,000 kilogrammes; it would take 2,000 carts, drawn by four horses each, to transport it by land. By water it would require a vessel like Noah's ark, viz., 809 cubits by 50, with a depth of 30 cubits. Were 5,000,000 kilogrammes forged into bars of an inch square, their total length would be 655,000 metres, or more than enough to encompass Paris with a railing 10 feet high. Were a milliard of franc pieces ar-



ranged side by side on a breadth of four metres (the usual breadth of the paving of the imperial roads), the length thus covered would be three leagues more than the distance between Paris and Rouen. A single line formed by a milliard of franc pieces would be 23,000,000 of inches in length, or 750 leagues more than the circumference of the earth. Lastly, had the milliard, at the time of the birth of Jesus Christ, been enclosed in a machine so constructed as to cast out one franc piece per minute, this machine would still have to be kept going for about 62 years longer, in order to exhaust the milliard." A somewhat similar calculation was made in 1848, after the 15th of May, when the mob invaded the National Assembly, and Barbès wished a milliard to be imposed on the rich.

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**THE LATE SIR HUGH RICHARD HOARE, BART.**—Sir Hugh Richard Hoare, Bart., who died on the 10th Dec., at his seat, Stourhead, Wilts, in his 70th year, was eldest son of the late Sir Henry Hugh Hoare, by Maria Palmer, daughter of Arthur Acland, Esq., of Fairfield, Somerset, and nephew of Sir Richard Colt Hoare, F.R.S., and F.S.A., the celebrated antiquary and author of the History of Ancient and Modern Wiltshire, besides several other learned topographical and historical works. He was born November 27, 1787, and succeeded as fourth baronet on the death of his father, August 18, 1841. He married, in 1819, Anne, daughter of Thomas Tyrerwhitt Drake, Esq., of Shardeloes, in Bucks, formerly M.P. for Amersham; but as he had no issue, the title has passed to his nephew, Henry Ainslie Hoare, Esq., of Wavendon House, Bucks, who is married to the second daughter of the late Sir George Clayton East, Bart., by whom he has issue a son, Charles Peregrine Louis, born, 1846, now heir presumptive to the title and estates at Stourhead. The latter were purchased from the twelfth Lord Stourton in 1720, by Henry Hoare, Esq., founder of the London banking-house which still bears his name, whose son was Lord Mayor of London during the rebellion of 1745, and whose grandson, Richard, was created a baronet in 1786.

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**THE TIPPERARY BANK.**—The *Limerick Reporter* recently published a letter from the town of Tipperary, which states that a meeting was held there that day of the two parties concerned in the settlement of the affairs of that wretched concern. The compromisers were headed by the Earl of Bessborough, and the non-compromisers were represented by their solicitor, Mr. Edmund Power. The meeting was private, but it was believed that, after a stormy discussion, the war-to-the-knife party yielded to the more reasonable mode of winding up suggested by the Dublin conference. Lord Bessborough presided, and Mr. M'Dowell, the official manager, was among those present. A letter from Clonmel mentions that the head branch of the ill-fated joint-stock bank in that town, in which the Sadleir gang concocted the frauds which have been the source of woe to many, is about to be converted into a provision store.

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**AUSTRIAN NATIONAL BANK.**—The balance-sheet of this bank for the year 1856, has been published, and on the whole it is not unsatisfactory. The stock of silver is 87,240,609fl., and the paper circulation 380,181,085fl. Out of the 50,000 new shares, at 700fl., for the establishment of a mortgage bank, 47,500 have been paid up. The sum received was 33,250,000fl.; but as some of the shares were paid in paper instead of silver, the subscribers had to pay the difference, which amounted to 2,483,154fl. The bank direction announces that a further increase in the stock of specie will take place "without in any way affecting the revenue of the bank." The meaning of this phrase probably is, that silver has already been purchased abroad. It is also announced that the bank has taken possession of nearly all the domains which were ceded by the state as security for the sum of 152,500,000fl., which is a part of its debt to the establishment in question.



**THE KIDDERMINSTER BANK.**—A meeting of the creditor of this bank has been held "to take into consideration the necessary steps to secure a proper investigation of the assets and liabilities of the estate." The chair was taken by Mr. R. Woodward, of Arley Castle. It appeared that Mr. George Harris, treasurer of the board of guardians of the Kidderminster Union, had taken out an administrative summons, calling on Mr. Bradford Turner, eldest son of the late Mr. Abraham Turner, to show cause why the estate should not be wound up by the Court of Chancery. It also appeared that Mr. Farley, uncle of Mr. B. Turner, was about to do the same thing. Beyond this there was not much information before the meeting. It was stated that the liabilities would not exceed £45,000, and that the assets would prove nearly £33,000. There was considerable division of feeling among the creditors, and a portion of them were very anxious for the appointment of a committee to investigate the affairs of the bank as far as possible, and to report upon the best means for bringing matters to an immediate close. At length a resolution was moved by Mr. Bird and seconded by Mr. Chillingworth for adjourning the meeting for a fortnight. Upon this Mr. Boycott moved, as an amendment, that a committee of creditors be appointed to examine into the affairs of the bank, conduct negotiations with the family, and report the result. This having been seconded by Mr. D. W. Goodwin, a division took place, when there were about forty votes for the resolution and twenty for the amendment. The meeting accordingly adjourned for a fortnight.

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**SHERRY SHIPMENTS.**—According to returns just received of the wines despatched at the custom-house of Oporto last year, the shipments were 41,621 pipes against 34,386 pipes in 1855. This shows a larger export than might have been expected after the late disastrous vintages, but it is attributed to the fact of the trade keeping up their supplies in anticipation of advanced prices. Of these shipments 29,216 pipes were sent to the United Kingdom, 6,611 to Brazil, 1,813 to the United States, 2,257 to Hamburg and the Baltic, 656 to ports in Portugal, and 1,068 to other ports. The principal shippers were—Sanderman and Co., 3,327 pipes; Cockburn and Co., 2,507; Martinez and Co., 2,009; Offley and Co., 1,848; J. D. Harris, 1,570; W. and J. Graham and Co., 1,520; and Hunt and Co., 1,325.

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**SWISS LOAN.**—The Swiss Government have notified their intention to raise a federal loan of £480,000 in virtue of the authority recently granted, and which was to the extent of £1,200,000. Of this £480,000 the portion to be subscribed in Switzerland is £100,000. The remainder is to be raised abroad. The bonds are to be of £20, £40, and £200, and they are to bear 5 per cent. interest, to be issued at par, and to be redeemable in twenty years by a sinking fund with annual drawings.

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**FIRES AT BANKS.**—A fire has taken place at the Bank of Ireland, but the damage has not been of a serious character. During the late outbreak at Canton, the branch establishments of the Oriental, the Agra, and the Mercantile Bank of India, suffered in a conflagration, but the books, specie, &c., had previously been removed to Hong-kong.

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### MERCANTILE SUSPENSIONS.

THE following are the mercantile suspensions for the month, but they do not include any important firms. Messrs. Begbie, Wiseman, and Co. have failed for about £130,000, and the assets are equal to about 7s. 3d., but



whether they will be fully realised, remains to be seen. In the case of Mr. G. B. Rocca, the debts are about £50,000, principally in connexion with the Trieste house which has failed. A meeting of creditors will shortly be held, when the prospect of assets will be announced.

Jan.—D. Trasciatti, Trieste, merchant.

G. B. Rocca, London, merchant.

Begbie, Wiseman, and Co., Glasgow, merchants.

Rice, Harris, and Co., Birmingham, glass trade.

Edwards and Shaw, Boston (U.S.), wholesale druggists.

Tenney and Co., Boston (U.S.), carpet dealers.

Peirce Butler, Philadelphia, stock speculator.

### BANK MOVEMENTS.

A district branch of the Royal Bank of Scotland has been opened a No. 191, Cowcadden-street, Glasgow, under the charge of Mr. Walter Denham, agent.

The National Discount Company have resolved to declare a dividend of 8s. per share. A balance of about £1,400 will remain to be carried forward.

The Union Bank of London have declared a dividend of 5 per cent. and bonus of 2½ per cent. for the six months ending the 31st of December last, being at the rate of 15 per cent. per annum on the paid-up capital of the company.

**BANK OF BOMBAY.**—Mr. Granville Sharp, who obtained the prize of £100 offered by Mr. J. W. Gilbart, F.R.S., for the best essay in reply to the question—"In what way can any of the articles collected at the Industrial Exhibition of 1851, be rendered especially serviceable to the interests of Practical Banking," has been appointed chief accountant to the Bank of Bombay.

The latest advices state that various influential parties are competing for new banking privileges. One proposition, which is said to be well supported on this side, and to be generally regarded with favour, is for the formation of a large international bank for the introduction of the English system.

The Commercial Bank of London have declared a dividend at the rate of 7 per cent. per annum for the last half-year.

### BANKING OBITUARY.

On the 13th of January, at Brixton, after a few day's illness, Mr. George Clifford Bower, of the Bank of England, aged 67.



## MONTHLY CHRONOLOGY.

Dec. 29.—Intelligence received of the outbreak of a war in China, and the bombardment of Canton by the British fleet under Admiral Seymour.

30.—Suspension announced of M. Decio Trasciatti, merchant of Trieste.

31.—Failure of Mr. G. B. Rocca, merchant, connected with M. Trasciatti. The liabilities estimated at £50,000.

Jan. 6.—A protocol signed at Paris, by the plenipotentiaries of the various powers, for the purpose of finally settling the disputed points relative to the Paris treaty of March last.

7.—Announcement of the suspension of Messrs. Begbie, Wiseman, and Co., general merchants of Glasgow, with liabilities estimated at about £150,000.

9.—The directors of the Bank of England give notice of their intention to make advances on Government stock at the rate of  $6\frac{1}{2}$  per cent.

9.—A decline announced in the rate of discount at Hamburg from 6 to  $5\frac{1}{2}$  per cent.

15.—Intelligence received of the settlement of the dispute between Prussia and Switzerland, the latter consenting to release all the royalist prisoners, and they are released accordingly.

15.—Failure announced of Messrs. Rice, Harris, and Co., of Birmingham, in the glass trade. Liabilities, £22,000.

16.—Leopold Redpath convicted, at the Central Criminal Court, for forgeries committed with respect to shares in the Great Northern Railway, and sentenced to be transported for life.

23.—News received of the capture of Bushire and the island of Karrack by the British forces.

## Review.

*Railway Intelligence* (No. IX), to the 31st of December, 1856, compiled from official returns by M. SLAUGHTER, Secretary of the Railway Department, Stock Exchange.

This publication may be truly described as a reliable synopsis of railway property, and in its new and improved form will be found extremely valuable, as a book of reference. The care exhibited by Mr. Slaughter in the arrangement of his statistics shows that he is fully impressed with the importance of the duty which he has undertaken. Perfect in almost every respect, the volume should be in the hands of bankers, merchants, and all who are interested to any extent in the various descriptions of railway securities.

## Monetary Intelligence.

### REVIEW OF THE MONEY MARKET FOR THE MONTH OF JANUARY, 1857.

THERE has been little amelioration in the position of general financial affairs. The relief afforded by the payment of the dividends and the arrival of Australian gold has been wholly temporary, and a revived demand has again been apparent, which it is feared may eventually lead to an increase



in the rate of discount by the Bank directors. The present minimum of 6 per cent. is comparatively high, but, as they have augmented the terms for advances on stock to  $6\frac{1}{2}$  per cent., if the present pressure should continue, they will be obliged to adopt additional restrictions with reference to the negotiation of mercantile paper. For the last week, it has been expected that such a movement would be announced, but the gold withdrawn to supply the requirements of the Irish banks during the late partial panic being returned, it has assisted to support the metallic reserve. As, however, the drain for export to the Continent has set in with renewed severity, and the remittances from Australia and America are not, at this period, extensive, an apprehension is entertained that not only may the stock of bullion be further trenced upon, but that the supplies themselves from these sources will be purchased and sent to Paris. Under such circumstances, the directors cannot follow out any other policy, but it is to be hoped that the inquiry will not be maintained at a level which will either distress commerce or interfere with the prosperity which it was supposed would be initiated by peace. The discount houses find ample employment for the whole of the funds they can command, but no further alteration has occurred in the allowance for deposits.

The range of fluctuation in English Stocks this month has not exceeded one per cent., but it has been principally on the side of a decline. The symptoms of weakness following the announcement of the rupture with China and the Persian war have gradually increased, while the renewed demand for money has induced many of the speculators for the rise to close their accounts. Indeed this was a prudent course to adopt, the Bank directors having again raised their terms for advances on stock to  $6\frac{1}{2}$  per cent. In connection with this movement it was remarked "the Bank of England have notified that they will decline making advances on Government securities at a lower rate than  $6\frac{1}{2}$  per cent. During the recent shutting of the transfer-books their rate for advances of this description was the same as that for discounts—namely, 6 per cent. There is now, however, no reason for affording the accommodation. Very large amounts are in course of repayment, and, instead of these being again lent out to enable persons to hold Consols on speculation, they should, in the present state of the discount business, be held available for commercial purposes. In case of the general market soon becoming easier, a return to the previous rate will, probably, be adopted; but in former times it was not the custom of the Bank, under any circumstances, to make loans on stock; and, although this rule may have been needlessly stringent, it is unquestionably the duty of the Bank never to relax it except when they can do so without prejudice to the mercantile public." A significant circumstance of this description would at any moment be calculated to repress buoyancy, and hence the flatness at present apparent. The public demonstration on the question of the income tax is also exciting attention, and it is thought there may be shortly a dissolution of Parliament. At the latest moment, Consols still exhibit depression, and Exchequer bills are likewise heavy.

Foreign securities have not exhibited any great variation in prices, but the market has been rather weaker, owing to the general absence of business. All the Northern Stocks are lower, and there is apparently not the least disposition to extend transactions. This arises from the paucity of speculation, especially in this department. After some disagreement between the Spanish-American Committee and the Commissioners, a settlement of the Venezuelan debt, subject to the ratification of Congress, has been agreed to.

In the railway market there has been a fall of from £1 to £3 per share,



and probably a further decline will take place. The arrangement of the account and the increased value of accommodation for the moment interferes with activity, but the speculators are now waiting for the prospects of the dividends. The meetings will occur at no distant period, and then the average results of the half-year's working will be ascertained. New East Indian and other projects have been brought forward, but the shares have not been taken up with spirit.

Joint stock bank shares have been fairly supported, and in some cases the dividends declared have caused a further slight improvement.

The following are the fluctuations in the English and Foreign Stocks, and Railway Shares, during the month just concluded.

	Price on Dec. 29.	Highest.	Lowest.	Price on Jan. 28.
<b>ENGLISH FUNDS.</b>				
Consols ... ..	94½-94¾xd	94½ x d.	93¾	93¾
Exchequer bills' average ...	{ 1s. d. to 2s. p. }	6s. pm.	2s. dis.	{ par
<b>FOREIGN STOCKS.</b>				
Brazilian ... ..	100½	102	100½	101
Chilian ... ..	—	105	103½	104
Dutch, 2½ per cent. ...	65½	65½	64½ x d.	65
Mexican ... ..	21¾	21¾	21½	21¾
Peruvian, 4½ per cent. ...	78	79	78	78½
Russian ... ..	—	108¾	107	108
Spanish ... ..	42	42	40	40
Turkish, 6 per cent. ...	96½	96	94½	94¾
Ditto, 4 per cent. New scrip....	103	103¾	102¾	103
<b>RAILWAY SHARES.</b>				
Brighton ... ..	111	113¾	110½	112½
Caledonian ... ..	63¾	63¾	60½	63¾
Eastern Counties ... ..	9½	9½	9½	9½
Great Northern ... ..	91	93	91	92½
Great Western ... ..	69½	69½	65½	65½
Lancashire and Yorkshire...	96¾	97¾	95½	96½
London and North Western ...	106	107½	105½	106½
Midland ... ..	82½	83¾	81½	82½
South Eastern ... ..	73½	75	73½	74
South Western ... ..	107	108	106	107
York, Newcastle, and Berwick ...	83½	86½	83½	84
York and North Midland ...	59¾	61	59¾	60
East Indian... ..	114½	115	108½ x in.	109
Northern of France ... ..	37½	37½	37½ x in.	37½

### THE GRAIN TRADE.

THE progress of agricultural operations in the country is stated to be satisfactory. The weather, however, is not altogether propitious for the crops, and complaints are made of the young wheats being in some cases too forward. The trade in grain generally is less active, and a decline is again visible throughout the markets of the United Kingdom. Barley is not quite so firm as it was in price, and oats have also sold at lower quotations. The arrivals of foreign grain and flour have lately experienced a considerable increase.



The *Gazette* returns for England and Wales have been :—

Week ending 1856.	Wheat. Qrs. sold.	Weekly Average. s. d.	Six Weeks' Average. s. d.	Duty. s. d.	Corresponding Six Weeks Last Year. s. d.
Dec. 27 ..... 1857.	92,296 ...	59 8 ...	61 1 ...	1 0 ...	80 5
Jan. 3 .....	85,768 ...	58 1 ...	60 2 ...	1 0 ...	79 6
„ 10 .....	92,519 ...	58 10 ...	59 8 ...	1 0 ...	78 5
„ 17 ... ..	103,358 ...	59 4 ...	59 5 ...	1 0 ...	77 6

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grain. Qrs.	Total. Qrs.
Twenty-two weeks ended 17th Dec. ...	2,389,306	1,517,427	3,906,733
Four weeks ended 14th Jan. ....	434,158	259,450	693,608
	<hr/> 2,823,464	<hr/> 1,776,877	<hr/> 4,600,341

And the *weekly averages* have been :—

Twenty-two weeks ended 17th Dec. ....	108,000	69,000	177,000
Four weeks ended 14th Jan. ....	108,000	65,000	173,000
	<hr/>	<hr/>	<hr/>
Same .....	Less	4,000	4,000

### THE STATE OF TRADE.

THE accounts from the manufacturing districts are not altogether unfavourable, but the high price of the raw material interferes in some cases with the activity of business. The orders for Australia and America have increased, and a more extended field of operation would shortly follow, if the money market were to become easier. The double check of high discounts and an advance in cotton, wool, &c., will materially restrain speculative adventures.

### NOTICES TO CORRESPONDENTS.

The article on the recovery of debts in the Colonies (Banking and Commercial Law) is at the last moment postponed. Two or three letters and some reviews also stand over. Editorial communications should, in future, be addressed to the Editor of the *Bankers' Magazine*, 8, Birchin Lane, Cornhill, although orders for the publication, remittances, &c., are still to be forwarded to Messrs. Groombridge and Sons, Paternoster Row. Correspondents will please remember that letters, to ensure punctual attention, must be forwarded by the 20th of the month.

**AN OLD SUBSCRIBER**—We thank our friend for his suggestion, and if space will allow, the statements shall be published.

**R. X. (Derby)**.—The proceedings will be vigilantly watched.

**DEPUTY-CASHIER**—It is not believed to be good banking. An investment of the kind is always liable to fluctuation.

**CONSTANT READER**.—The correction is one which we make with great pleasure. The coupling of the names of Messrs. Fox, Henderson and Co., with that of Mr. C. J. Mare, in reference to bankruptcy, was quite accidental. The former firm have suspended, but the estate is being wound up satisfactorily under inspection.

**THE QUESTION OF SALARIES**.—The letters have been received, and would have been inserted but for the pressure on our space. The subject, however, shall not be lost sight of.



THE ENGLISH FUNDS.—Daily Prices from 27th December, 1856, to 27th January, 1857, inclusive.

	27	29	30	31	1	2	3	4	5	6	7	8	9	10	12	13	14	15	16	17	19	20	21	22	23	24	25	27
Bank, Stock, div 4½ p.c. & year	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218	218
3 per Ct. Red. Anns.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
3 per Ct. Consols Anns.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto ex. div. for opening	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
New 3 per cent. Anns.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
New 3 per cent.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
New 3 per cent.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
5 per cent.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Long Anns. Jan. 5, 1856	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto 30 years, Oct. 10, 1856	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto 30 years, Jan. 5, 1856	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto 30 years, Apr. 3, 1855	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
India Stock (div. 10½ percent.)	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Do. Bonds £1000 (div. 4 p.c.)	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto, under £500	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
3 p. Ct. Cons. for ac. 24th Jan.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto for account 24th Feb.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
India Stock for ac. 24th Jan.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ex. Bills £1000, 24d. per item	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto, Small do.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto Bonds A 1858 3½ p.c.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto under £1000	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto B 1859	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto under £1000	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94

JOINT-STOCK BANKS.

	London	Latest Prices.
Australasia	£40	0 pd. 94
British North American	40	0 0 65
Bank of London	100	20 0 61
Commercial of London	100	20 0 58
Colonial	100	25 0 55
City Bank	100	50 0 69
London and Westminster	100	50 0 49
London Joint Stock	50	10 0 32
Oriental Bank	25	35 0 38
Provincial of Ireland	100	25 0 50
National Bank	50	25 10 27
South Australian	150	35 0 72
Union of London	25	35 0 64
London and County	50	20 0 20
London Chartered of Australia	20	30 0 17
Eng. Soc. & Austr. Chartered	20	30 0 17
Bank of India, China, & Australia	20	30 0 17
New South Wales	20	30 0 17
Bank of Egypt	25	19 15 16
Ottoman Bank	20	15 0 14

FOREIGN STOCKS (28th January.)

Brazilian Bonds, 5 per Cent.	101
Chilian Bonds, 6 per Cent.	104
Danish 5 per Cent.	103
Mexican 3 per Cent.	81
Peruvian 4½ per Cent.	78
Portuguese Bonds, 4 per Cent.	85
Russian Bonds, 1822, 5 per Cent. in £ Ster.	108
Ditto, 4½ per Cent.	96
Spanish Bonds 3 per Cent.	40
Ditto, 3 per Cent. Deferred	52
Turkish 6 per Cent.	94
(Dividends on the above payable in London.)	
Dutch 2½ per Cent.	65
Ditto 4 per Cent. Loan	90
French 4½ per Cent., at Paris, Jan. 27, 57.	50c.
Ditto 3 per Cent., ditto	67½. 80c.

RAILWAY SHARES.

	COMPANY.	PAID UP	PRICE
		£	Jan. 28.
			Dec. 28.
	Calcuttan.	100	63
	Eastern Counties	100	91
	Great Northern	100	91
	Great Western	100	69
	London and Blackwall	13½	61
	London and Brighton	100	111
	North-West.	100	105
	South-West.	100	107
	Midland	100	82
	South-Eastern	100	73
	York, Newcastle, & Berwick	100	83
	York & North Midland	100	60

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

## ISSUE DEPARTMENT.

	1856. Dec. 27th.	1857. Jan. 3rd.	1857. Jan. 10th.	1857. Jan. 17th.
Notes issued.....	£ 24,112,390	£ 24,022,615	£ 24,031,465	£ 23,976,935
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	3,459,900	3,459,900	3,459,900	3,459,900
Gold coin and bullion .....	9,637,390	9,547,615	9,556,465	9,501,095
Silver bullion .....	—	—	—	—
	24,112,390	24,022,615	24,031,465	23,976,935

## BANKING DEPARTMENT.

	1856. Dec. 27th.	1857. Jan. 3rd.	1857. Jan. 10th.	1857. Jan. 17th.
Proprietors' capital.....	14,553,000	14,553,000	14,553,000	14,553,000
Reserve .....	3,232,510	3,299,314	3,235,254	3,279,903
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts) ....	7,501,335	7,522,202	7,705,379	7,397,114
Other deposits .....	10,132,655	10,096,525	10,644,674	11,075,931
Seven day and other bills .....	771,639	780,534	845,460	853,094
	36,212,139	36,327,565	33,083,767	33,350,042
Government securities (including Dead Weight Annuities) ....	11,200,748	11,600,151	11,513,161	11,550,467
Other securities .....	18,062,155	19,295,306	16,342,612	16,586,201
Notes.....	5,456,315	4,797,315	4,603,473	4,513,000
Gold and silver coin .....	592,921	634,791	624,519	608,474
	36,212,139	36,327,565	33,083,767	33,350,042

## The Exchanges.

	Dec. 19th.	Dec. 26th.	Jan. 3rd.	Jan. 9th.
Amsterdam, short ..	11 14	11 14½	11 14½	11 14
Ditto 3 months ..	11 17½	11 17½	11 17½	11 17
Rotterdam, ditto ..	11 17½	11 17½	11 17½	11 17½
Antwerp, ditto .....	25 37½	25 35	25 35	25 35
Brussels, ditto .....	25 37½	25 35	25 35	25 35
Hamburg, ditto.....	13 7½	13 7	13 7	13 6½
Paris, short .....	25 25	25 25	25 25	25 25
Paris, 3 months .....	25 6½	25 6½	25 6½	25 6½
Marseilles, ditto .....	25 6½	25 6½	25 6½	25 6½
Frankfort, ditto .....	119½	119½	119	118½
Vienna, ditto.....	10 41	10 44	10 44	10 43
Trieste, ditto.....	10 43	10 46	10 45	10 44
Petersburgh, ditto ..	37½	37½	37½	37½
Madrid, ditto .....	49½	49½	49½	49
Cadix, ditto .....	49½	49½	49½	49½
Leghorn, ditto .....	29 70	29 62½	29 62½	29 60
Genoa, ditto .....	25 77½	25 80	25 77½	25 77½
Naples, ditto.....	43½	43½	43½	43
Palermo, ditto .....	129½	129	129½	129
Messina, ditto .....	130	129½	130	129½
Lisbon, ditto .....	51½	51	51½	51½
Oporto, ditto .....	51½	51½	51½	51½
Rio Janeiro 60 dya. 'dts	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£3 17 9	£3 17 9	£3 17 9	£3 17 9
(Standard) .....	0 0 0	0 0 0	0 0 0	0 5 1½
Mexican Dollars .....	0 0 0	0 5 1½	0 5 2	0 5 1½
Silver in Bars (Stand.)..	0 0 0	0 5 1½	0 5 2	0 5 1½



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTE.

## PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.
	£	£	£	£	£
1 Andover Bank .....	17,751	12,683	12,439	10,960	11,523
2 Ashford Bank .....	11,849	9,700	11,028	10,233	10,505
3 Aylesbury Old Bank .....	48,461	32,457	31,736	31,567	30,404
4 Baldock and Biggleswade Bank ...	37,223	32,746	32,194	31,393	30,455
5 Barnstable Bank .....	17,182	9,375	9,431	9,062	8,820
6 Basingstoke and Odiham Bank ...	24,730	20,149	19,288	19,830	19,997
7 Bedford Bank .....	34,218	32,376	32,325	31,983	32,644
8 Bewdley Bank .....	18,597	10,366	10,528	10,169	10,141
9 Bicester and Oxfordshire Bank ...	27,090	14,225	13,965	13,944	14,325
10 Birmingham Bank—Attwoods & Co.	23,695	22,768	22,252	22,979	22,423
11 Birmingham and Warwickshire Bk.	18,132	8,567	8,504	9,315	8,694
12 Blandford Bank .....	9,723	6,611	6,518	6,320	6,226
13 Boston Bank—Garfit and Co. ....	75,069	77,918	77,272	71,015	69,021
14 Boston Bank—Gee and Co. ....	15,161	14,967	14,898	14,792	14,662
15 Bridgewater Bank .....	10,028	6,928	7,174	7,410	7,393
16 Bristol Bank .....	48,277	31,514	31,723	31,778	33,770
17 Broseley and Bridgenorth Bank ...	26,717	17,240	17,719	17,344	17,654
18 Buckingham Bank .....	29,557	23,607	23,838	23,464	22,628
19 Bury and Suffolk Bank .....	82,362	66,982	68,176	69,089	67,972
20 Banbury Bank .....	43,457	37,733	36,359	36,011	36,836
21 Banbury Old Bank .....	55,153	30,385	29,828	29,757	29,496
22 Bedfordshire Leighton Buzzard Bk.	36,829	34,667	33,561	33,242	33,342
23 Birmingham Bk.—Lloyds & Co. ...	38,816	27,522	27,256	27,581	25,939
24 Bradford Old Bank .....	12,676	11,160	11,523	11,161	10,984
25 Brecon Old Bank .....	68,271	63,836	60,961	61,224	62,038
26 Brighton Union Bank .....	33,794	18,283	18,809	19,680	18,631
27 Burlington and Driffield Bank .....	12,745	12,572	12,028	11,385	10,901
28 Bury St. Edmund's Bank .....	3,201	2,645	2,960	2,853	2,920
29 Cambridge Bk.—Mortlock & Co.	25,744	15,811	16,150	16,046	15,604
30 Cambridge and Cambridgeshire Bk.	49,916	48,398	47,164	47,811	49,229
31 Canterbury Bank .....	33,671	30,390	31,645	30,300	28,684
32 Carmarthen Bank .....	23,597	21,780	21,869	21,513	21,106
33 Chertsey Bank .....	3,436	2,367	2,374	2,330	2,431
34 Colchester Bank .....	25,082	17,914	17,213	16,955	17,180
35 Colchester and Essex Bank .....	48,704	35,196	34,201	33,618	33,889
36 Cornish Bank—Tweedy & Co. ...	49,869	45,209	45,935	45,180	46,452
37 Coventry Bank .....	12,045	7,833	7,506	6,983	6,927
38 City Bank, Exeter .....	21,527	19,100	19,018	19,301	19,360
39 Craven Bank—Alcocks & Co. ...	77,154	72,906	70,608	69,267	67,334
40 Chepstow Old Bank .....	9,387	8,615	8,302	9,111	9,020
41 Derby Bank—Messrs. Evans .....	13,332	9,810	10,489	10,495	9,190
42 Derby Bank—Smith and Co. ....	41,304	36,300	35,299	35,684	35,084
43 Derby Old Bank .....	27,237	27,236	27,305	25,369	25,014
44 Devizes and Wiltshire Bank .....	20,674	8,897	8,929	8,899	8,980
45 Diss Bank .....	10,657	10,304	10,222	10,285	10,562
46 Doncaster Bank and Retford Bank	77,400	78,914	74,714	70,703	68,098
47 Darlington Bank ..	86,218	87,399	84,205	80,680	79,347
48 Devonport Bank .....	10,664	8,537	8,795	8,290	8,462
49 Dorchester Old Bank .....	48,807	46,241	46,641	45,745	45,353
50 East Cornwall Bk.—Robins & Co.	112,280	92,956	93,841	94,369	92,023
51 East Riding Bank—Bower & Co.	53,392	49,593	47,740	47,952	47,753
52 Essex Bk. & Bishops Stortford Bk.	69,637	44,683	45,053	42,641	41,293
53 Exeter Bank .....	37,894	25,053	24,012	23,515	23,614
54 Faringdon Bk. & Bk. of Wantage	8,977	7,668	8,122	7,835	7,695
55 Farnham Bank .....	14,202	12,785	11,682	11,182	11,402
56 Faversham Bank .....	6,681	5,173	5,259	5,629	5,984
57 Godalming Bank .....	6,322	4,704	4,688	4,551	4,239



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.
	£	£	£	£	£
58 Guildford Bank .....	14,524	14,410	13,482	13,060	12,432
59 Grantham Bank—Hardy and Co.	30,372	28,550	28,872	28,718	29,148
60 Hastings Old Bank .....	38,038	31,061	31,862	32,709	30,597
61 Hereford City and County Bank.	22,364	15,935	16,725	15,774	14,970
62 Hull & Kingston-upon-Hull Bank	19,979	20,001	20,150	20,028	18,574
63 Huntingdon Town & County Bank	56,591	54,195	51,797	52,459	51,980
64 Harwich Bank .....	5,778	5,392	5,175	5,143	5,093
65 Hertfordshire, Hitchin Bank .....	38,764	29,492	31,049	31,116	31,918
66 Hereford, Ross, & Archenfield Bk.	27,625	19,887	21,102	20,042	19,628
67 Ipswich Bank .....	21,901	20,965	20,635	20,806	21,038
68 Ipswich & Needham Market Bank	80,699	64,436	62,682	62,536	64,045
69 Kentish Bank—Mercer & Co. ...	19,895	14,566	14,109	13,545	14,064
70 Kingston and Radnorshire Bank...	26,050	25,531	25,218	25,191	25,017
71 Knaresborough Old Bank .....	21,825	21,751	21,188	20,693	20,720
72 Kendal Bank .....	44,663	42,489	40,727	40,365	40,293
73 Kettering Bank .....	9,192	9,325	8,877	8,600	8,460
74 Lane End Staffordshire Bank ...	5,624	5,320	5,317	5,335	5,377
75 Leeds Bank .....	53,357	52,356	52,012	52,490	50,570
76 Leeds Union Bank .....	37,459	36,524	36,649	37,511	38,150
77 Leicester Bank .....	32,322	29,153	28,655	30,012	30,360
78 Lewes Old Bank .....	44,836	27,943	26,225	26,140	25,915
79 Lincoln Bank .....	100,342	92,848	92,050	89,568	88,538
80 Llandoverly Bank & Llandilo Bank	32,945	28,290	25,393	23,688	23,166
81 Loughborough Bank .....	7,359	7,211	7,470	7,199	7,026
82 Lynton Bank .....	5,038	3,225	3,307	3,206	2,994
83 Lynn Regis and Lincolnshire Bank	42,817	38,451	38,137	37,040	35,942
84 Lynn Regis and Norfolk Bank ...	13,917	13,414	13,338	13,535	13,161
85 Macclesfield Bank .....	15,760	14,526	13,994	13,903	14,066
86 Manningtree Bank .....	7,692	2,450	2,550	2,237	2,153
87 Merionethshire Bank .....	10,906	8,832	8,137	7,638	9,976
88 Miners' Bank .....	18,688	16,926	17,076	17,647	17,238
89 Monmouthshire Agricultural and Commercial Bank .....	29,335	24,896	25,618	28,380	26,463
90 Monmouth Old Bank .....	16,385	16,205	15,889	15,459	14,968
91 Newark Bank .....	28,788	26,835	26,860	26,552	25,201
92 Newark and Sleaford Bank .....	51,615	50,560	50,386	50,857	50,281
93 Newbury Bank .....	36,787	20,531	20,799	20,280	19,949
94 Newmarket Bank .....	23,098	20,196	19,626	19,857	20,181
95 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	48,048	50,109	50,096	46,899
96 Norwich and Norfolk Bank .....	99,665	92,905	94,228	95,427	95,528
97 Nottingham, Nottinghamshire ...	10,866	10,761	10,819	10,791	10,865
98 Nuneaton Bank .....	5,898	3,017	3,208	3,307	3,351
99 Naval Bank, Plymouth .....	27,321	18,386	18,101	17,660	17,765
100 New Sarum Bk.—Everett & Smith	15,659	8,365	8,248	8,414	8,401
101 Nottingham Bank .....	31,047	31,648	31,710	30,765	28,658
102 Oswestry Bank .....	18,471	12,413	12,780	12,552	10,961
103 Oxford Old Bank .....	34,391	30,881	31,845	32,230	31,112
104 Old Bank, Tonbridge .....	13,183	9,610	9,110	8,767	8,685
105 Oxfordshire Witney Bank .....	11,852	11,235	11,327	10,811	10,180
106 Pease's Old Bank, Hull .....	48,807	47,988	47,337	47,075	47,292
107 Penzance Bank .....	11,405	10,813	11,035	10,650	10,673
108 Peterborough Bank—Yorke & Co.	12,545	9,642	9,510	8,917	8,678
109 Pembroke Bank .....	12,910	12,518	12,726	12,763	12,932
110 Reading Bank—Simmonds & Co.	37,519	30,276	29,584	29,010	28,902
111 Reading Bk.—Stephens & Blandy	43,271	28,948	29,699	28,529	28,240
112 Richmond Bank, Richmond .....	6,889	6,637	6,745	6,230	5,975
113 Rochdale Bank .....	5,590	4,106	3,913	3,751	3,805
114 Rochester, Chatham, & Strood Bk.	10,480	7,409	7,968	7,242	7,192
115 Royston Bank .....	16,393	13,523	13,699	13,414	13,574
116 Rugby Bank .....	17,250	8,741	8,128	7,780	7,433



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.
	£	£	£	£	£
117 Rye Bank.....	29,864	14,760	13,981	13,740	13,162
118 Ross Old Bank, Herefordshire ...	4,420	4,280	4,170	4,050	4,335
119 Saffron Walden & North Essex Bk.	47,646	31,049	31,685	30,448	30,938
120 Salop Bank .....	22,338	13,827	13,519	13,507	12,947
121 Scarborough Old Bank .....	24,813	24,664	24,302	23,358	22,149
122 Shrewsbury Old Bank.....	43,191	38,262	37,108	38,553	38,439
123 Sittingbourne and Milton Bank...	4,789	2,883	2,663	2,379	2,338
124 Southampton Town & County Bk.	18,589	11,330	11,322	11,149	10,848
125 Southwell Bank .....	14,744	14,210	13,593	13,090	12,450
126 Southampton and Hampshire Bk.	6,770	2,917	3,000	3,063	3,203
127 Stone Bank .....	9,154	340	340	340	340
128 Stafford Old Bank .....	14,166	10,768	10,235	11,376	11,113
129 Stamford and Rutland Bank .....	31,858	29,591	29,316	27,947	28,308
130 Shrewsbury and Welsh Pool Bank	25,336	24,410	23,140	23,801	23,272
131 Taunton Bank .....	29,799	26,351	26,188	25,206	24,731
132 Tavistock Bank .....	13,421	8,295	8,379	9,509	8,434
133 Thornbury Bank.....	10,026	9,119	8,975	8,919	8,800
134 Tiverton and Devonshire Bank...	13,470	9,770	9,705	9,847	10,275
135 Thrapstone and Kettering Bank...	11,559	11,695	11,236	11,570	11,204
136 Tring Bank and Chesham Bank..	13,531	12,900	13,125	13,150	12,253
137 Towcester Old Bank .....	10,801	7,565	7,492	7,626	7,644
138 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	10,463	10,366	10,353	10,715
139 Union Bank, Cornwall .....	17,003	14,680	15,803	15,902	15,201
140 Uxbridge Old Bank .....	25,136	12,466	12,435	12,711	12,615
141 Wallingford Bank .....	17,064	7,820	7,776	7,944	8,176
142 Warwick and Warwickshire Bank	30,504	24,244	24,971	22,483	22,675
143 Wellington Bank, Somerset .....	6,528	3,311	3,118	3,212	3,403
144 West Riding Bank .....	46,158	46,145	46,295	44,657	42,498
145 Whithy Old Bank .....	14,258	14,175	13,482	13,366	13,511
146 Winchester, Alresford & Alton Bk.	25,892	18,923	18,030	18,089	17,626
147 Weymouth Old Bank .....	16,461	14,800	14,991	14,668	14,367
148 Wirksworth and Derbyshire Bk.	37,602	35,283	35,447	35,218	34,627
149 Wisbeach and Lincolnshire Bank	59,713	56,875	56,306	56,360	55,806
150 Wiveliscombe Bank .....	7,602	6,567	6,167	6,589	6,976
151 Wolverhampton Bk.—Goodricke	14,180	11,159	11,249	10,615	11,085
152 Worcester Bank .....	15,463	5,203	4,783	5,132	4,700
153 Worcester Old Bank .....	87,448	61,396	62,111	62,881	61,885
154 Worcestershire Bank .....	14,309	6,538	6,176		
155 Wolverham. Bk.—R. & W. Fryer	11,867	11,062	11,040	10,685	10,633
156 Yarmouth and Suffolk Bank .....	53,060	45,891	46,369	46,948	50,005
157 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,445	12,975	13,149	13,041
158 York Bank .....	46,387	45,906	43,667	41,818	41,699

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	8,880	8,509	8,378	8,013
2 Barnsley Banking Company .....	9,563	9,463	9,358	8,950	8,770
3 Bradford Banking Company .....	49,292	48,949	48,946	48,865	48,531
4 Bilston District Banking Company	9,418	8,869	8,563	8,707	8,817
5 Bank of Whitehaven.....	32,681	29,425	27,686	26,550	26,277
6 Bradford Commercial Banking Co.	20,084	19,150	19,077	19,044	18,996
7 Barton, Uttoxeter, and Staffordshire Union Bank .....	60,701	48,656	53,021	52,587	55,714



**WEEKLY RETURNS OF BANKS OF ISSUE.**

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Nov. 29	Dec. 6.	Dec. 13.	Dec. 20.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	10,066	10,213	10,035	9,847
9 Cumberland Union Banking Co. ...	35,395	34,440	33,448	33,560	33,775
10 Coventry and Warwickshire Bk. Co.	28,734	23,370	23,396	23,605	23,645
11 Coventry Union Banking Company	16,251	14,603	14,263	14,961	14,343
12 County of Gloucester Banking Co.	144,352	110,054	109,825	111,195	110,818
13 Carlisle & Cumberland Banking Co.	25,610	25,340	23,915	23,758	22,993
14 Carlisle City and District Bank ...	19,972	19,192	18,898	18,925	18,531
15 Dudley & West Bromwich Bk. Co.	37,696	39,489	38,656	36,391	31,849
16 Derby and Derbyshire Banking Co.	20,093	20,335	19,728	18,920	19,634
17 Darlington Dist. Joint Stock Bk. Co.	26,134	24,085	22,660	21,530	21,316
18 East of England Bank .....	25,025	25,021	25,849	24,804	23,966
19 Gloucestershire Banking Company	155,920	148,110	148,599	149,336	147,580
20 Halifax Joint Stock Bank .....	18,534	17,890	17,833	17,205	16,745
21 Huddersfield Banking Company ...	37,354	33,653	32,736	34,432	33,470
22 Hull Banking Company .....	29,333	29,968	28,389	27,452	27,133
23 Halifax Commercial Banking Co.	13,733	12,685	12,278	12,922	12,122
24 Halifax & Huddersfield Union Bk.	44,137	40,734	39,710	40,530	39,445
25 Helston Banking Company .....	1,503	1,468	1,501	1,505	1,431
26 Herefordshire Banking Company ...	25,047	19,716	20,026	21,733	21,184
27 Knaresborough and Claro Bk. Co.	28,059	28,435	27,560	27,107	27,548
28 Kingsbridge Joint Stock Bank ....	3,952	3,329	3,235	3,103	3,351
29 Lancaster Banking Company .....	64,311	57,957	56,127	53,489	52,166
30 Leeds Banking Company .....	23,076	23,046	23,159	21,746	24,348
31 Leicestershire Banking Company ...	86,060	77,302	76,112	74,222	74,607
32 Lincoln and Lindsey Banking Co.	51,620	53,196	49,339	47,290	48,540
33 Leamington Priors and Warwick- shire Bank .....	13,875	10,277	9,932	9,475	9,478
34 Ludlow and Tenbury Bank .....	10,215	9,296	9,675	9,341	9,079
35 Moore & Robinson's Notts. Bank ...	35,813	36,665	35,021	33,534	33,155
36 Nottingham and Notts. Banking Co.	29,477	28,748	28,104	27,307	27,273
37 National Provincial Bk. of England	442,371	430,189	429,115	422,448	421,389
38 North Wilts Banking Company ...	63,939	43,775	42,095	41,598	41,494
39 Northamptonshire Union Bank ...	84,356	80,328	81,192	79,218	77,915
40 Northamptonshire Banking Co. ...	26,401	22,225	22,364	21,771	21,234
41 North and South Wales Bank .....	63,951	61,237	59,668	58,218	57,303
42 Pare's Leicestershire Banking Co.	59,300	52,514	51,560	52,447	49,960
43 Saddleworth Banking Company ...	8,122	2,140	2,159	2,101	2,015
44 Sheffield Banking Company .....	35,843	36,888	35,097	35,027	33,132
45 Stamford, Spalding & Boston Bk. Co.	55,721	52,075	51,207	52,096	52,965
46 Stuckey's Banking Company .....	356,976	344,456	346,490	348,205	336,398
47 Shropshire Banking Company .....	47,951	42,871	44,130	44,485	45,286
48 Stourbridge and Kidderminster Bk.	56,830	56,817	57,080	56,800	56,168
49 Sheffield and Hallamshire Bank ...	23,524	22,592	21,934	23,417	22,486
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	53,067	52,869	51,216	50,283
51 Swaledale and Wensleydale Bank..	54,372	52,380	51,578	50,656	50,548
52 Wolverhampton & Staffordsh. Bk.	35,378	36,653	35,379	34,579	31,332
53 Wakefield and Barnsley Union Bk.	14,604	14,266	14,303	13,452	13,464
54 Whitehaven Joint Stock Bank ...	31,916	28,359	27,402	26,945	26,095
55 Warwick and Leamington Bk. Co.	37,124	28,220	30,537	29,422	29,075
56 West of England and South Wales District Bank .....	83,535	72,598	75,298	75,665	73,962
57 Wilts & Dorset Banking Company	76,162	71,760	72,565	73,750	74,653
58 West Riding Union Banking Co. ...	34,029	33,395	30,775	31,515	30,481
59 Whitchurch and Ellesmere Bk. Co.	7,475	5,532	4,962	5,343	5,130
60 Worcester City and County Bk. Co.	6,848	6,173	5,484	5,355	5,025
61 York Union Banking Company ...	71,240	70,714	68,825	66,435	67,760
62 York City and County Banking Co.	94,695	93,883	90,610	88,988	88,400
63 Yorkshire Banking Company .....	122,532	121,235	115,725	115,157	116,782



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.
158 Private Banks.....	£513,092	£3,758,639	£3,725,274	£3,678,098	£3,631,872
63 Joint-Stock Banks..	3,303,357	3,088,104	3,057,250	3, - ,903	3,085,325
221 Totals .....	7,816,449	6,846,743	6,782,524	6,707,001	6,717,197

*Average Weekly Circulation of these Banks for the month ending December 20th:—*

Private Banks .....	£25,609,731
Joint-Stock Banks .....	3,044,895

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above: £28,654,626*

*On a comparison of the above with the Returns for the month ending 22nd November last, it shows:—*

<i>A decrease in the notes of Private Banks, of .....</i>	<i>£156,250</i>
<i>A decrease in the notes of Joint-Stock Banks, of .....</i>	<i>68,991</i>

*Total decrease on the month..... £225,241*

*And, as compared with the month ending December 22nd, 1855, it shows—*

<i>A decrease in the notes of Private Banks, of .....</i>	<i>£143,267</i>
<i>A decrease in the notes of Joint-Stock Banks, of .....</i>	<i>13,270</i>

*Total decrease, as compared with the same period of last year .....*

*The following is the comparative state of the circulation, as regards the fixed issues—*

<i>The Private Banks are below their fixed issues.....</i>	<i>£918,371</i>
<i>The Joint-Stock Banks are below their fixed issues.....</i>	<i>258,462</i>

*Total below the fixed issues .....*

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 20th day of December, 1856.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	2,070,900	1,458,700	3,529,600	768,428
Provincial Bank of Ireland .....	927,667	444,881	701,944	1,146,825	441,463
Belfast Bank .....	281,611	83,256	416,884	500,140	328,559
Northern Bank .....	243,440	45,816	263,495	309,312	129,664
Ulster Bank .....	311,079	73,240	443,330	516,570	271,979
National Bank of Ireland...	761,757	576,692	641,207	1,217,899	656,882
Carrick-on-Suir Nat. Bank .....	24,084	14,428	14,060	28,489	7,704
Clonmel National Bank ...	66,428	29,505	28,963	58,468	18,008
TOTALS (Irish Banks) ...	6,354,494	3,338,718	3,968,583	7,307,303	2,622,687

### SCOTCH BANKS.

Bank of Scotland .....	300,485	134,637	278,548	413,185	192,882
Royal Bank of Scotland ...	183,000	88,935	159,917	248,852	90,459
British Linen Company .....	438,024	183,175	333,444	516,619	140,992
Commercial Bk. of Scotland .....	374,880	162,842	343,422	506,265	201,803
National Bank of Scotland..	297,024	113,491	235,575	349,066	92,266
Union Bank of Scotland and Banking Com. in Aberdeen .....	415,690	185,636	360,996	546,632	188,802
Edinburgh & Glasgow Bk...	136,657	69,528	101,525	171,053	61,084
Aberdeen Town and Co. Bk. ....	70,133	47,976	85,208	133,184	66,702
North of Scotland Bk. Co...	154,319	105,718	123,840	229,559	89,957
Dundee Banking Company .....	33,451	16,598	29,497	46,096	17,116
Eastern Bank of Scotland...	33,636	17,171	28,142	45,313	17,596
Western Bank of Scotland..	337,938	104,551	348,862	453,413	202,294
Clydesdale Banking Co. ...	104,028	51,183	112,320	163,504	82,972
City of Glasgow Bank .....	72,921	135,727	181,686	317,413	287,266
Caledonian Banking Co. ...	53,434	26,006	51,377	77,383	31,648
Perth Banking Company ...	38,656	21,987	40,270	62,258	33,548
Central Bank of Scotland...	42,933	25,976	43,612	69,588	31,798
TOTALS (Scotch Banks)...	3,087,209	1,491,137	2,858,241	4,349,383	1,829,185



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO DECEMBER 20, 1856.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 20th December, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks .. £7,507,303  
 Average Circulation of the Scotch Banks 4,349,383  
 Total Average Circulation of these Banks  
 for the past month ..... £11,856,686

On comparing these amounts with the Returns for the month ending 22nd November last, they show—

Decrease in the Circulation of Irish Banks £118,487  
 Decrease in the Circulation of Scotch Banks 95,319  
 Total decrease on the month ..... £213,786

And, as compared with the month ending December 22nd, 1855, they show—

Increase in the Circulation of Irish Banks £264,024  
 Decrease in the Circulation of Scotch Banks 51,380  
 Total increase on the year ..... £212,644

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows :—

8 Banks in Ireland, allowed to issue... £6,354,404  
 18 Banks in Scotland, allowed to issue .. 3,087,309  
 26 Banks in all, allowed to issue..... £9,441,703

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are above their fixed issue .. £982,809  
 Scotch Banks are above their fixed issue 1,262,174  
 Total above the fixed issue ..... £2,244,983

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows :—

Gold and Silver held by the Irish Banks £3,692,687  
 Gold and Silver held by the Scotch Banks 1,829,185

Total of Gold and Silver Coin ..... £4,451,872

Being an increase of £59,578 on the part of the Irish Banks and an increase of £14,880 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO DECEMBER 20, 1856.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 20th December, 1856 :—

Circulation of Notes for the Month ending 20th December, as compared with the previous month :—

	Nov. 22.	Dec. 20.	Increase.	Decrease.
Bank of England .....	£20,062,041	£18,973,935	—	£1,088,106
Private Banks .....	2,855,971	3,099,731	—	156,250
Joint-Stock Banks .....	3,113,886	3,044,896	—	68,991
Total in England .....	27,031,898	25,718,561	—	1,313,347
Scotland .....	4,444,703	4,349,383	—	95,319
Ireland .....	7,425,740	7,307,303	—	118,437
United Kingdom .....	£38,902,340	£37,375,237	—	£1,527,103

The comparison of the month ending December 22nd, 1855, with the month ending December 20th, 1856, shows an *increase* in the Bank of England circulation of £294,766, a *decrease* in Private Banks of £143,267, and a *decrease* in Joint-Stock Banks of £13,270; being a total *increase* in England of £138,229; while in Scotland there is a *decrease* of £51,380; and in Ireland an *increase* of £264,024. Thus showing that the month ending 20th December, as compared with the same period last year, presents an *increase* of £138,229 in England, and an *increase* of £250,878 in the *United Kingdom*.

The return of Bullion in the Bank of England, for the month ending December 20th, gives an aggregate amount in both departments of £10,525,986. On a comparison of this with the Return for the month ending November 22nd, there appears to be an *increase* of £856,416; and a *decrease* of £622,706 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 20th December, was £4,451,872; being an *increase* of £74,403 as compared with the return of the previous month, and an *increase* of £211,882 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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MARCH, 1857.

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## PROPOSED BANKING LEGISLATION.

Few weeks of the Session have been allowed to elapse before questions of vital importance to the banking community at large have been brought under consideration. Prepared as the public were for vigorous action in this respect, it had scarcely been anticipated that the Government would have been ready to have dealt with these important topics at so early a period. After the experience of the last two years, and the repeated demands for a full investigation of the Bank Charter Act, only one course was open, namely, to appoint a committee to ventilate the subject and to settle the points in dispute between the great controversialists engaged in the discussion. That the majority would be in favour of the support of the principle upon which the Bank Act was founded, there was little reason to doubt; but it was, nevertheless, presumed that modifications might be produced with advantage to its more successful operation. The turn which the debate has taken indicates clearly enough that the opinions of the principal financiers of the country is favourable to the charter, and that there is consequently little apprehension of it being abrogated.

The Government have themselves, through the Chancellor of the Exchequer, intimated their adhesion to the charter as it at present exists, and we must confess that Sir G. C. Lewis has probably exhibited a little precipitancy in thus expressing his opinion before the labours of the committee have commenced. It would have been desirable to have taken the case upon the preponderating influence of the evidence that might have been adduced, and not to have at once prejudiced the issue of the



investigation by so direct and explicit an avowal. Without meaning for one moment to dispute the soundness of the principle which regulate the working of the act of 1844, or believing that any essential alteration is necessary to facilitate its safe operation, this mode of introducing the question to the public will afford his opponents the opportunity, as it has already done, to aver that the inquiry will not be conducted on a fair and impartial basis. Such a pretext as this will be readily adopted by those who seem to advocate the extension of a paper circulation without regard to its convertibility, and will once more give rise to those discussions which embarrass and perplex the subject whenever the least pressure occurs in the money market. The wish of all parties must be that a strict and unbiassed investigation should now proceed, with a view of settling the points in dispute respecting the efficiency of the charter, or the introduction of any more comprehensive plan, if one can be discovered; and, under these circumstances, it would have been preferable had the finance minister confined himself to the simple introduction of the proposed committee, leaving the ultimate decision to be influenced by the weight of individual testimony, and the decision presented by the report.

As it is, the debate has elicited a variety of opinions, and although these will be modified, as the inquiry makes progress, we shall have to wait patiently for some time—probably months—before any further information is promulgated. Some parties have objected to the appointment of a secret committee, on the ground that the evidence would be valuable and interesting, if it were allowed to transpire as it is brought forward, while it would also afford the opportunity for the production of counter-evidence if it should be deemed essential. Precedent, however, appears to be in favour of an inquiry with closed doors, and consequently the testimony of individuals will be taken in the abstract, without being submitted to the ordeal of immediate refutation. Both courses are liable to occasional inconvenience, but it must be admitted that the latter would have been the most satisfactory mode of arriving at the experience which the last few years has placed at the disposal of persons largely engaged in monetary and mercantile pursuits.

The committee who will have the charge of this investigation is composed of parties, all of whom are experienced financiers, and although it is said the majority are supporters of the Bank Charter Act in its entirety, there is reason to expect that if sound modifications are suggested they will receive due attention. The names of these gentlemen are as follows:—

The Chancellor of the Exchequer, Mr. Disraeli, Sir J. Graham, Mr-



Spooner, Mr. Gladstone, Mr. G. A. Hamilton, Mr. Cardwell, Mr. Wilson, Mr. Hildyard, Mr. Glyn, Mr. Beckett, Mr. Hankey, Mr. Pollard Urquhart, Mr. J. L. Ricardo, Sir C. Wood, Mr. Cayley, Sir F. Baring, Mr. M. T. Smith, Mr. Wilkinson, Mr. Fergus, Mr. Weguelin, Mr. Blackburn, Mr. Vance, and Mr. Laing.

We fully concur in the arrangement which has delegated the consideration of the Bank Charter Act and its attendant provisions to the deliberations of one committee, but it is, nevertheless, quite as important that another should have been constituted to have taken into consideration the position and management of the joint-stock and private banking system. The enormous frauds, with their accompanying evils, which have lately paralysed the community, demand that a searching scrutiny should take place into the causes which have led to the culpable negligence displayed in destroying the sound integrity which should distinguish the operations of these establishments, particularly when the law has been found insufficient to reach the delinquents who have been the chief instruments in occasioning such a vast amount of pecuniary mischief.

It is all very well to leave the remedial measures in the hands of the legal advisers of the crown; but after the scenes recently witnessed in connection with the affairs of Messrs. Strahan, Paul, and Bates, the Tipperary and the Royal British Banks, it is absolutely necessary that some concerted plans should be adopted to protect the public from the recurrence of similar frightful disasters. A proper appreciation of the question could only be arrived at by an inquiry which would lead to the institution of legal enactments which, on future occasions, would limit the power of those who possessed the almost uncontrolled command of property amounting to millions, without adequate restraints to check their actions when inclined to abuse the trust deputed to them. It is requisite to enforce these views in order that Parliament should assume some definite action in the matter, and the banking interest itself will not stand absolved from blame if it does not support an urgent recommendation to this effect.

The disastrous lapses which have occurred, and which might have been avoided had timely precautions been used, would never have presented those distressing details which the history of the past two years has rendered so notorious, if the law had been more uniform and stringent. No excuse will be allowed to prevail if the present opportunity is not seized to make regulations, not only to punish the prime movers in such frauds, but also to provide for the speedy winding up of insolvent establishments, unaccompanied by ruinous



expense and litigation to innocent individuals. Shareholders and creditors alike are interested in obtaining an adjustment of the difficulties which place them in such a perilous position, and from which they cannot extricate themselves without submitting to large sacrifices, if not irretrievable loss. Much as we are inclined to believe that the Government is desirous of doing justice to the public and of devising measures which shall protect them from a repetition of these cruel malversations, we should be more satisfied if mercantile knowledge were allowed to suggest safeguards, than wholly to leave the question in the hands of the legal profession. It is probably not too late for the Chancellor of the Exchequer to give the question further consideration, and to determine upon the adoption of some proceeding which shall assist to promote this object.

To complete his banking measures of the session, Sir G.C. Lewis has now introduced a bill for the better arrangement of the savings bank system, which is acknowledged to have been long in a most inconvenient and unsatisfactory state. The object is to give to depositors the advantage of Government security, without interfering with local management. He does not purpose to alter the rate of interest, but suggests a limitation to the amount of deposits, proposing that the *maximum* should be £100, at the same time affording facilities for depositors to become stockholders through the savings banks. The security of the Government is a very desirable feature, and if the bill, when it is printed, should present the advantages stated, it will meet the support of those interested in the stability of these national institutions. Before, however, pledging ourselves to the details of his proposition, it will be necessary to examine all its provisions.

Looking, therefore, at the results of the first three weeks of the session, we think Sir G. C. Lewis is to be commended for his industry, if for nothing else; and since he has, during the same period, had his hands full with the Budget, his work, including preparation and performance, has been of an arduous character. He consequently deserves credit for placing these various questions in a train for being dealt with, and notwithstanding they may have yet to be discussed in their various stages, the public have been placed in a position to know what is likely to be submitted for approval. We see that some of our old friends are jealous of the power invested in the Government, enabling them to deal with savings bank stock—a point which deserves consideration, and may be treated of hereafter.

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## FRENCH BANKS AND BANKERS.

It is not now proposed to give a history of French banking in any particular detail, but to sketch such leading points only of its progress and system as shall bring us to the facts and phases of the present time, and qualify us more intelligently for a desirable appreciation of their bearing and tendencies. The imperfections of that system, with its notorious inadequacy to answer the requirements and afford the legitimate facilities for the promotion and extension of industry and enterprise, whether commercial or agricultural, have long been the theme of the most learned economists, and the lament of the ablest statesmen, of France in modern times. Nor have attempts been wanting, more especially during the latter years of the reign of Louis Philippe, by remedial measures to bring the system more into harmony with the superior economical training and practical appliances of the age, as exemplified most perfectly, it may be said, in this country, notwithstanding occasional sinister occurrences, attributable chiefly to the absence of penal provisions in the banking code, and to injudicious legislative action otherwise. But, characterised by the excessive caution and timidity of the remedies sought to be applied, those attempts were crowned with but indifferent success, where they did not result in failure altogether. To an expansion of credit and the paper money currency, fortified as it might be by masses of hard money in the vaults of the Bank of France, the French people were assumed, and not without some reason perhaps from the bitter experience still unforgotten, the traditions still in circulation like household words, of the days of assignats and terror, to be irreconcilably hostile. Add to this, the distrust naturally engendered of the stability of a monarchy, the overthrow of which, during the eighteen years of its existence, was the ceaseless object, finally accomplished, of reckless factions, conspiracies and assassins, and it is not difficult to comprehend the prevalence of such a sentiment or prejudice amongst the property classes at least, if not among the population at large. The readiness, however, with which the latter submitted in the short-lived republic of 1848 afterwards to the suspension of specie payments by the Bank of France, and the substitution of a currency all of paper save the small change of common life, came sufficiently in disproof of the timorous policy and erroneous misgivings of the finance ministers of Louis Philippe. The cheerfulness even with which the small landed proprietors, the artisans, and the operatives—in fact, all of the lower classes—acquiesced in the compulsory conversion, as legislatively decreed,



of their savings deposits in the savings banks into 3 per cent rentes to the amount of several hundred millions of francs, all till then reimbursable by law on demand, or at ten days notice, bore testimony to the disappearance or the mitigation of that insuperable repugnance of the people to a paper circulation which had been too lightly taken for granted, since all the fractional proportions of the converted investments beyond round sums were, if we recollect aright, repaid to the depositors in bank notes. The latter have, fortunately for them, had no cause to be dissatisfied with this legislative operation ; such of them at least as held their stock for a time, or are holders still, for 8 per cent rentes, which then ranged somewhere about 50, and on the 31st March in that year, were down to 40½, a few years subsequently recovered to above 60, and are now realisable at 67 or 69 per 100. It will be seen how astutely Louis Napoleon availed himself in after time of this revolution in public sentiment, this dissipation of a prejudice not unreasonable if unreasoning, with respect to paper money values, to improve and extend public and private credit, to encourage agricultural and industrial enterprise, and to call forth the unknown, untold hoards of France for the service of the State, in loans of ten, twenty, and thirty millions sterling each, promptly responded to within two succeeding years, on the advent of a mighty war.

It does not appear that before the great revolution of 1789 there existed any banks in France in the proper sense of the term, as understood and in practice in this country ; that is, of parties or establishments purely and exclusively dealing in money and securities, private and public. We read, indeed, of court bankers, whose functions as such would simply be the supply of funds to the court in anticipation of the revenues from the domains of the crown, or of the payments of the then intendants of provinces, now receivers-general, into the treasury ; and also of loans to the aristocracy. The last of the class we hear of was one Monsieur Laborde, court banker to the unhappy Louis XVI., and parent Count Alexandre Laborde, well-known in the world of literature and politics. The unfortunate banker was guillotined in or about 1792, when the famously infamous witty Barrère, then the right-hand man of Robespierre, whose delight it was to preside and be present at the murder of his victims, coolly perpetrated to a friend the atrocious pun, as the fatal axe was descending, "*Mais voila, c'est battre de la monnaie* !"—"See, this is coining money !" The merchants of those days, as those of more recent date, appear to have united the functions of bankers, as well as the name, with their other callings, and to have discounted for each other, and for traders



and manufacturers generally, as they had funds in hand unemployed. Such were the Neckers and Perregaux of that epoch.

It was from the chaos of ruin which wound up the assignat catastrophe of the first republic that the Bank of France started into existence. In the year 1797, the manufacturers of Paris and France, deprived of their former resources by the failure or disappearance of the banco-mercantile interests on whom they had been accustomed to rely for accommodation, combined to found certain banks, or, as they were called, *caisses*, of discount, the more notable of which were the *caisse des comptes courans*, and of the *comptoir commercial*. All these establishments were suppressed by Napoleon I., then consul, excepting that of the *comptes courans*, to which, with a new organisation, he gave in 1800 the more imposing title of the Bank of France. Its capital was first fixed at thirty millions of francs only, say £1,200,000; but subsequently extended to forty-five millions of francs, say £1,800,000, represented by forty-five thousand shares of one thousand francs each. But in his hands it became a mere political engine to subserve the exigencies of the Government. The Bank was compelled to invest one part of its capital in State stocks by way of raising and supporting their credit and prices, the more readily to favour loan operations. Another portion of the capital was appropriated by Napoleon, in exchange for which he obliged the Bank to accept orders upon the receivers-general. Its means thus absorbed, it became of no utility to commerce, and was ultimately forced to suspend its payments, although it was endowed with the exclusive privilege of issuing notes payable at sight, and to bearer, in specie. On the 26th of April, 1806, it was, however, rehabilitated by a law which raised its capital to ninety millions of francs, increased by a reserve which carried it to upwards of one hundred millions (£4,000,000). But the incubus of state patronage and state purposes to serve primarily still weighed upon it. It was encumbered with an expensive machinery of a state governor and sub-governors who controlled its operations. Its management was rendered subordinate to the necessity of supporting the prices of stocks and facilitating loans. Government, moreover, arbitrarily reserved to itself the right of declaring, modifying, or refusing dividends. It was no more useful to commerce than before, and suffered enormous losses of interest from the masses of specie and ingots which it was under the obligation of holding unproductively in its caves in the shape of reserve. Its note circulation and discounts may be thus briefly stated:—

Note circulation from 1800 to 1805, never	
reached - - - - -	£3,200,000



The average being less than	-	-	-	2,500,000
Its total commercial discounts of the year				
ranged from £4,500,000 to above	-	-	-	25,000,000
The average being about or less than	-	-	-	16,500,000

Notwithstanding the enlargement of capital, the operations of the bank were still primarily directed to the supply of state urgencies, with but small additional consideration for industrial interests, and such continued to be the case until the entry of the allies into France, preceding the first downfall of Napoleon in 1814, when temporarily, from January to April, it was again under the necessity of partially suspending its payments. Until the year 1818, although it was more liberal in its discounts in proportion to its limited note circulation and stock of specie and ingots in hand, yet the largest aggregate of any one year little exceeded, but mostly fell far short of £24,000,000, whilst subsequently, until 1825, they were millions below that amount! Even after safely traversing the revolution of July, 1830, with, for each of the two years following, ingots and specie in vault for some nine or ten millions sterling, the note circulation, however, scarcely exceeding the same amounts, the yearly aggregates of commercial discounts represented, respectively, only the sums in round numbers of about six and nine millions sterling. It will be understood that we are simply speaking of the operations of the Bank in Paris, without reference to its branches in the provinces, which it was first empowered to establish in 1836, beginning with four, which, up to the year 1847, had been increased to fourteen. For many years their operations were entirely unimportant, and in result did not defray the annual charges of their establishment. By the annual report of the Bank of France for the year 1847, just preceding the revolution of 1848 and the expulsion of the Orleans dynasty, the discounts of the branches had become of more consideration, as will thus appear, round numbers only being necessary.

Discounts of the Bank in Paris	-	-	-	£53,178,800
Branches	-	-	-	19,151,000
Total				£72,329,800

The amounts in francs being respectively, for the branches, 478 millions, 775 hundreds of thousands; for the central bank in Paris, 1 milliard, 329 millions, 470 hundreds of thousands. The year of 1847 was one of crisis and great agitation, arising out of the cereal failure of the year before, not materially improved by the harvest of 1847, which occasioned an alarming



drain of specie. London capitalists had come to aid by a loan, on the security of rentes held by the bank, for one million sterling at five per cent. But this, on such an emergency, was but a partial and temporary relief, for the average duration of the loan was but for 108 days. The cost of that financial transaction, in the charges of transport on the specie, the losses by adverse exchanges, and all accessory expenses, amounted to upwards of £32,000, or equal to 3-13ths per cent. on the amount. Immediately afterwards there followed the famous negotiation with Russia, which ended in the sale of rentes, held by the bank, to the sum capitalised of some two millions sterling, against the delivery by Russia of silver and gold, in specie and bullion, to the same value. It was at this period that, for the first time after an interval of twenty-seven years; the bank raised its rate of discount from four to five per cent., but for about a year only. It may be useful, for reference and comparison on occasion, to note here the movement of the nine joint-stock departmental banks, then but a few years in existence, at the principal seats of commerce, such as Bordeaux, Havre, Rouen, &c. Their aggregate capital consisted of the modest total of 23,350,000 francs, or £934,000, and the aggregate of their discounts in 1847 amounted to £34,064,000, which, proportionately with capitals respectively, showed an almost four-fold activity, in discount business, over the Bank of France and its branches, endowed as they were with exclusive privileges of circulation besides. After the revolution February 1848, and the suspension of specie payments which followed, the departmental banks, by a financial *coup d'état*, were, on certain considerations, incorporated with, and merged in, the Bank of France, of which they were made to constitute so many additional branches.

According to the report for the year 1856, laid before the general assembly of the shareholders by the governor and council, on the 29th of January last, of the operations of the Bank and its branches, it appears that the discounts of the year had ascended to - - - - - £186,960,000  
 The note circulation on average was about - - - 24,680,000  
 Specie and bullion on the 25th of December, when  
     the accounts were made up - - - - - 8,400,000  
 The maximum of the year had been - - - - - 11,760,000  
 The minimum - - - - - 6,360,000  
 Purchases of bullion from the latter half-year of  
     1855 to Dec. 31st., 1856 - - - - - 40,572,000  
 For which, amount of premiums paid - - - 406,816  
 To which add costs of carriage from Paris to and  
     between the branch banks - - - - - 40,984



The purchases of bullion in 1856 alone were for	£22,396,000
Premiums paid for which	249,968

From the last monthly report of the Bank made up to the 12th of February, it appears that—

Bills discounted in the bank and branches,	
but not yet due, were	£21,178,900
Specie and bullion in hand	7,803,935
Note circulation	23,816,835

From these leading particulars we may gather that the position of the Bank was not altogether so satisfactory as should be desirable. For of the capital of the Bank and branches, which, with the reserves, amounts to £4,329,000, more than one-half was held in Government securities, whilst funds not far short of four millions sterling were absorbed in advances to the State and in the discount of Treasury bonds. It is however true, *per contra*, that the State treasury stood as creditor in account current for about £3,240,000, but as an every day drawing account, that is, a variable quantity liable to diminution or disappearance any day, and more especially as dividends on the debt become payable and have to be served.

In this brief and preparatory notice of the banking system of France in the national sense, the point of departure has preferentially been taken from the first revolution and the fall of the old monarchy, because the Royal Bank, founded on the plans of the celebrated Law, in 1716, had but an ephemeral existence; whilst the Bank of Discount, established by Turgot in 1776, was discontinued and suppressed in 1793.

#### DEBATE ON THE BANK CHARTER.

THE Chancellor of the Exchequer, on the 6th of February, brought forward his motion for appointing a select committee to inquire into the operation of the Bank Charter Act of 1844, and the following is a summary of the debate :—

The Chancellor of the Exchequer moved for the appointment of a select committee to inquire into the operation of the Bank act of 1844, and of the bank acts for Ireland and Scotland of 1845; also into the law relating to joint-stock banks. In order to elucidate the operation and policy of the act of 1844, he went back to the time of the Bank restriction, and of the wholesome principle adopted by Sir Robert Peel in 1829,—the convertibility of bank notes into gold. Acting upon the report of a committee of that House, Sir Robert, in 1844, introduced the act in question, with the view of further enforcing that principle, by imposing certain conditions upon the issue of bank notes, and providing securities against their over-issue, a policy which he (Sir G. Lewis) thought it superfluous to justify. The issue



of notes by the Bank of England beyond the limit of £14,000,000 on securities was regulated by their reserve of bullion, and the effect of the act of 1844 had been to increase the amount of gold in the coffers of the Bank. Another change introduced by that act was the separation of the issue and the banking departments, which afforded a security to the creditors of the Bank. Referring to the crisis of 1847, to the trials to which the act of 1844 had been subjected, owing to the abnormal state of things occasioned by the war, which led to a large exportation of bullion—to the changes in the monetary systems of certain Continental countries—and to the extraordinary drain of silver to China, he thought that as, notwithstanding all these disturbing causes, the currency of this country had remained in a sound state, and the credit of the Bank had never been questioned for a moment, it did not appear expedient that any material alteration should be made in the act of 1844. He then noticed some of the points of detail which would come under the consideration of the committee. One of these points was the precise limit of the issue of notes, some desiring that the limit should be extended about £1,500,000, upon the presumption that the paper circulation would thereby be enlarged to that amount. But his opinion was that the alteration would not have that result, and that it would only lead the Bank to reduce to that extent their reserve of gold. At the same time, he admitted this was a subject fairly within the consideration of the committee. Another question was whether, assuming that there should be a legislative limit to the Bank's issue of paper, a power should be vested in the Government to enable the Bank, under special circumstances, to depart from the restriction. He was, however, entirely hostile to such a proposal. He adverted briefly to other minor points and to the laws respecting the Irish and Scotch banks and joint-stock banks, observing that the manner in which the latter were wound up was anything but satisfactory; at the same time, he disseminated from the suggestion that they should be placed under the supervision of a Government officer.

Mr. Disraeli thought there should be two committees. He was at a loss to understand, he said, what were to be the labours of the proposed committee, since the Government seemed to have made up their minds upon the subject. He thought it would have been better if the Chancellor of the Exchequer had at once brought in a bill.

After some observations by Mr. Tite and Mr. Baillie,

Mr. Glyn, concurring with Mr. Disraeli in opinion that there should be two committees, observed that the question of convertibility was distinct from the machinery and mode in which that principle was carried out; and he objected, among other things, to the limitation by the act of 1844 of the issue of notes to £14,000,000, for which fixed sum the Chancellor of the Exchequer had assigned no reason. The general principle was, not to allow the amount of notes issued on securities to be fixed, but to make all issued above that amount bear a fixed rate of interest, according to the bullion in the Bank, which ought to regulate the rate of interest.

Mr. Henley strongly urged the division of the inquiry between two committees.

Mr. Malins entered into many details to show that nothing could be more unsatisfactory than the working of the act of 1844; that there had been no deficiency of gold, and that what the country wanted was not gold, but bank notes, the issue of which, in spite of the exigencies of trade, was stopped by the act, while the Bank had locked up in its coffers a supply of gold sufficient to meet demands, making money unnecessarily dear.

Mr. Headlam objected to mixing up with matters concerning the Bank Charter the law of joint-stock banks, the present state of which was disgraceful and required immediate alteration.



Mr. Laing observed, that Mr. Malins, though ostensibly maintaining the principle of convertibility, advocated a relaxation of the Bank restriction and an issue of notes that would infallibly exhaust the stock of bullion. The only safe mode of adjusting the supply of money to the demand was by the rate of interest, a rise in the rate at once diminishing the demand and increasing the supply. Agreeing in the main with the Chancellor of the Exchequer, he mentioned certain points in respect to which they differed, and which, in his opinion, were fit for inquiry. It was the interest of the public that there should be a large and efficient reserve; but the interest of the Bank lay the other way. He thought, however, that some arrangements might be made between the Bank and the Government upon this point.

Mr. J. MacGregor found fault with the working of the act of 1844, which was approved by Mr. Pollard-Urquhart.

Mr. Newdegate considered the objection to an absolute limit of the issue of notes unanswerable. He pointed out what he considered a vice in the act of 1844, that, while it restricted the action of the Bank when the amount of bullion was small, there was no restriction upon its use when large, which induced the Bank to stimulate speculation.

Sir C. Wood, in reviewing the objections to the act of 1844, observed, that it was never supposed that that act would remedy speculation and all the evils connected with the circulation; its object was as far as possible to regulate the circulation, and to secure the convertibility of bank notes. The amount of £14,000,000, to be issued on securities, was fixed, because that was the minimum of notes retained in the hands of the public. He denied that the crisis of 1847 was in any way caused by the act of 1844, the rules of which were, in his opinion, the best for their purpose, and the least stringent that could be laid down. With respect to the latter part of the motion, he thought there was a great deal of force in the objection to referring the subject of the joint-stock banks to the same committee, and if the House should be of that opinion, the Chancellor of the Exchequer would not insist upon that part of his motion.

Mr. Spooner insisted that the contract of 1819, by which it had been said Parliament should be bound, was an unjust contract, which deranged bargains made in a depreciated currency, and which never had been acted up to, and never could be. He believed if the act of 1819 had never passed, that the currency would have been restored before this time, without the evils occasioned by that law. He enlarged upon what he held to be the evils of that law and the act of 1844, and declared that in his opinion a plan might be devised which would secure the convertibility of notes without the alternations and mischiefs caused by the existing law.

Mr. Wilkinson defended the act of 1844, the sole complaint against which, he said, was that it was supposed, erroneously, to raise the rate of interest.

Mr. Muntz thought that after the declarations of the Chancellor of the Exchequer, the appointment of a committee was a mere sham.

Mr. Hildyard urged that care should be taken that the committee on a subject so important was a fair one, or its opinion would go but a little way with the House or the country.

Mr. Ingram, Mr. Alexander Hastie, and Mr. Crossley made a few remarks, and Mr. Cayley entered somewhat fully into various points which he thought demanded inquiry.

The Chancellor of the Exchequer, in his reply, consented to withdraw the latter part of the motion relating to the law of joint-stock banks, and in this amended form the motion was agreed to.



## EXPOSITION OF THE BUDGET.

THE budget may experience slight modifications when it is discussed in detail, but as a whole it has received general approval. The majority in favour of the Government, as determined by the result of the discussion on the 23rd of February, shows that the unfair pretext of Mr. Gladstone for attacking Sir G. C. Lewis, at a period when he was doing his best to meet the wishes of the country, has not been countenanced, and that a mere question of party will not be suffered to interfere with the arrangements contemplated for decreasing the pressure of the income tax. A majority of 80 is encouraging evidence of the position of the ministry after the late extraordinary changes in the relative situation of political *coteries*. Subjoined is an abstract of Sir G. C. Lewis's address, which, however, cannot on this occasion be commended for comparative brevity.

The Chancellor of the Exchequer made his financial statement, premising that this was the first occasion on which it was competent to him to make it. He began by calling attention to the revenue and expenditure of the current financial year, 1856-57. In the statement he made last year, he estimated the revenue of the current year at £71,740,000; its actual amount had been somewhat greater—namely, £71,885,000. The expenditure for 1856-57, including the loan to Sardinia of £1,000,000, and the vote of credit of £2,000,000, he had estimated at £82,113,000, showing therefore a deficiency of £10,373,000 in the estimated revenue; or, deducting the margin of £2,000,000, a deficiency of £8,373,000. In order to cover this deficiency, certain loans were effected, which, with the issue of £1,000,000 of Exchequer bills, amounted to £7,499,000 of borrowed money for the year. The power of borrowing money granted to the Government had been limited to £4,000,000, but it had been exercised only to the extent of £1,000,000, and no further use would be made of that power. The total receipts from revenue, loans, and Exchequer bills, in the year 1856-57, amounted to £79,384,000. The actual expenditure would amount to £78,000,000, leaving a balance of £1,384,000. The present year, Sir C. Lewis proceeded to observe, was not a year of ordinary peace expenditure, but a year of extraordinary expenditure; besides certain extraordinary expenses, there would be a loss upon the malt revenue, owing to the expiration of the war duty and to drawbacks, amounting to about £1,000,000, to be deducted from the revenue of the year in consequence of the peace. He then read statistical statements showing the vast increase in the exports, imports, and shipping of the country, demonstrating the elasticity of its resources, and various calculations, affording an estimate of the expenditure caused by the war, the revenue derived by the war taxation, and the amount added since the war to our funded and unfunded debt. He next entered upon a consideration of the estimated expenditure for the ensuing year, which he calculated at £65,474,000, viz. :—

Interest upon debt	...	...	...	...	£28,550,000
Charges upon Consolidated Fund	...	...	...	...	1,770,000



Army estimates (including £400,000 for the					
Militia) ...	...	...	...	...	£11,625,000
Navy estimates	...	...	...	...	8,109,000
Packet service	...	...	...	...	965,000
Civil services	...	...	...	...	7,250,000
Collection of the revenue	...	...	...	...	4,215,000
Superannuations	...	...	...	...	475,000
Persian expedition	...	...	...	...	265,000
Repayment of debt	...	...	...	...	2,250,000

He then gave the details of the principal heads of charge for the present year, premising that, although the saving upon the army and navy estimates, compared with those of the last year, was already upwards of £17,000,000, the change from a war to a peace standard could not be made *instantly*; that some time must be allowed for the effect of the transition. After analysing the estimates, and explaining their details, he stated the amount of the debt created by the war, funded and unfunded, at £41,041,000. Before he proceeded to expound his plan of taxation for the ensuing year, he adverted to the question of direct and indirect taxation, and stated the sums levied upon both species of imposts, which, he thought, bore in a practical manner upon the subject. The total of our direct taxation amounted to £20,700,000, and that of indirect taxation to £39,850,000; so that the indirect taxation was nearly double the amount of the direct. Claims were made, he remarked, for remissions of indirect taxes. As to the duty on paper, after considering the subject, he did not believe, he said, that the total abolition of that duty would afford to purchasers of books or newspapers any appreciable benefit, and he therefore thought the claims for a remission of this duty should be deferred until the public expenditure was less and the revenue greater. With respect to the duty on fire insurances, which fell exclusively upon realised property, believing that a reduction of it would not be reproductive, he saw no ground for acceding to the proposition for reducing this duty. He should therefore confine himself to the taxes imposed or revised during the war. As to the duty on spirits, upon which a permanent duty was imposed during the war, yielding about £1,500,000, he believed the House would agree that spirits were a legitimate object of taxation, subject to the condition that it should not lead to illicit distillation. He did not, therefore, see any reason for proposing an alteration in the duty on spirits. With respect to malt, the cessation of the war duty would occasion a loss of £2,000,000 upon this article. The next tax was that upon incomes. After reciting the history of this tax from the date of its imposition, in 1842, and explaining its present rates, he stated the circumstances under which the words "until the 5th of April next after the ratification of a treaty of peace," which did not appear in the Customs and Excise Acts, came to be inserted in the Income Tax Act, declaring that he never entertained an idea of asking the House on that ground to continue the tax beyond the exigency of the public service. Looking at the demands



upon the revenue owing to the transition from war to peace, to the debt and liabilities created during the war, and to the remission of taxation, he proposed to fix the income tax at the original rate of 7*d.* in the pound, fixed by Sir R. Peel, for three years, upon incomes above £150 a-year, and at 5*d.* in the pound upon incomes between £100 and £150. He proposed to deal in another way with the taxes upon tea and sugar, by adopting a scale of reductions in each case different from that of the existing law, making the abatement slower, and, therefore, providing for a more gradual diminution of revenue. The total revenue for the ensuing year he estimated at £66,365,000, which would leave a surplus over the expenditure of £891,000, viz. :—

Customs	...	...	...	£22,850,000
Excise	...	...	...	17,000,000
Stamps	...	...	...	7,450,000
Land and Assessed Taxes	...	...	...	3,150,000
Income Tax	...	...	...	11,450,000
Post-Office	...	...	...	3,000,000
Crown Lands	...	...	...	265,000
Miscellaneous	...	...	...	1,200,000

The total amount of the taxes that would be reduced this year was £11,971,000. In conclusion, he observed that if the liabilities of the next three years were discharged, and the accruing liabilities were met, the entire debt of £40,000,000 owing to the war would be extinguished in twenty years. He moved a resolution for a vote of £2,000,000 to pay off and discharge Exchequer-bonds issued in 1854, and payable on the 8th of May, 1857.

On the basis of these statistics, the plan of the Chancellor has been agreed to, and the debate, which has since taken place, although participated in by several leading financiers, has not evolved any better plan for meeting current expenditure.

#### RESULTS OF THE HALF-YEARLY MEETINGS.

THE half-yearly meetings of the several joint-stock banks in London being now completed, the subjoined table has been made up, exhibiting their relative capitals and extent of transactions, as well as the respective periods at which they were opened. Within the half-year there has been an increase of £268,451 in the deposits of the London and Westminster Bank, and of £157,894 in those of the City Bank. In the other cases there has been a falling off, namely, £649,426 in the deposits of the London Joint-Stock Bank; £669,914 in those of the London and County; £107,217 in those of the Bank of London. The Union and Commercial Banks do not publish any detailed accounts at this period, and their present



deposits, therefore, cannot be stated. At Midsummer last the total held by the Union was £9,045,606, and by the Commercial £1,536,361. In the six months the private deposits at the Bank of England have increased £9,810,045 to £10,132,655. During the same time the failure has occurred of the Royal British Bank, which at Midsummer held deposits to the amount of £842,428:—

Banks.	Paid-up Capital.	Deposits.	Guaranteed Fund.	Present rate of Dividend.
	£	£	£	
London and Westminster—established 1834. Six branches.....	1,000,000	11,438,461	150,000	17 per cent. per annum.
London Joint-Stock—established 1836. One branch.....	600,000	7,224,527	165,932	25½ per cent. per annum.
Union of London—established 1839. Three branches.....	600,000	—	135,000	15 per cent. per annum.
London and County—established 1839. Sixty-two branches.....	498,032	3,543,824	100,000	11 per cent. per annum.
Commercial—established 1840—One branch.....	800,000	—	70,821	7 per cent. per annum.
City Bank—established 1855.....	225,000	944,475	10,000	5 per cent. per annum.
Bank of London—established 1855. One branch	800,000	1,256,624	8,000	5 per cent. per annum.

### ROYAL BRITISH BANK.

THE proceedings connected with the affairs of this unfortunate establishment have not been so complicated as previously. There is, it appears, a chance of an arrangement being effected, and before the accounts of the directors are finally settled before the Commissioner in Bankruptcy, an impression is entertained that a complete adjustment will have been accomplished. Active litigation cannot be altogether stopped, owing to the numerous conflicting interests existing, but it is satisfactory to see that the principal firms identified with its conduct promise to co-operate in arresting its ruinous progress. Two or three of the smaller shareholders have been declared bankrupts, but this was to have been anticipated.

*Court of Bankruptcy, Basinghall-street, Jan. 24.—(Before Mr. Commissioner HOLROYD.)*

#### IN RE THE ROYAL BRITISH BANK.

This was a meeting for the proof of debts and declaration of dividend. Mr. Linklater appeared for the assignees, and Mr. Lawrance, Mr. Chidley, Mr. Taylor, Mr. Cann, and Mr. Greville for creditors.

A proof was tendered by Mr. Cann on account of a deposit note for £300. It appeared that the debt arose from a deposit, in which the name of



Mrs. Chipp has been frequently mentioned, and that Mr. G. B. Chipp, the original depositor, had assigned the debt.

Mr. Linklater said, that in all cases of the transfers of debts it was the duty of the assignees to make due investigation. The debt in this case had been sold to a third party. It was usual to have the signatures of all parties to the proofs.

An appeal to have this rule departed from, on the ground of Mr. Chipp being abroad, was unsuccessful, and the debt was only allowed to be entered as a claim.

The question next arose, whether a creditor who had paid into the bank a certain amount on the 4th of September, the bank having stopped payment on the 3rd of September, but the bankruptcy not having taken place until some time after the 4th of that month, could have the amount refunded?

It was decided that the amount must be proved as an ordinary debt.

Mr. Lawrance—Would your Honour allow me to apply for a summons against certain parties, whose names, for obvious reasons, I shall decline now to mention, to attend the Court for the purpose of explaining the mode in which they have been dealing with the debts due to creditors by taking proceedings against individual shareholders? Your Honour is aware that every creditor, in order to entitle him to proceed against a shareholder through the official manager, must first prove his debt in bankruptcy. There are many cases in which creditors have so proved their debts, and, having proved them, have taken proceedings against the official manager, and having obtained judgment against the official manager, they have then brought actions, or rather given notices and obtained judgments upon summons before one of the common law judges against individual shareholders. If the creditor had confined himself to the selection of a particular shareholder, and sought to enforce against him the payment of the balance of his debt after deducting the dividend, although the case would be still hard, yet I do not think that there would be anything to call for the interference of this Court, or to invite observation; but there are many cases in which attorneys, members of that branch of the profession to which I have the honour to belong, have so far forgotten their duties and profession as to make the powers of the statute in that respect convertible to the worst purposes. What I would ask is for summonses against the attorneys and clients; and I think I shall be able to satisfy your Honour, beyond the possibility of doubt, that these gentlemen have obtained costs and gratuities, and their clients' sums on account—sums, if not exceeding, at any rate amounting to the aggregate of their debts. One was mentioned in my presence—the debt was £200, and I am in a position to prove that the gentleman has received, in that case from four different shareholders, sums for costs and payments on account which actually exceed the amount of the debt, and yet he is proceeding against others. In another case, and while the application for the appointment of a receiver was being made before the Lord Chancellor and Lord Justice Turner, I had an opportunity of handing up to their lordships fourteen notices, resolving themselves into executions against individual shareholders in respect of the same debt, issued by the same attorney, at the suit of the same plaintiff, against fourteen different shareholders; and I think I am not exaggerating the true state of things when I state that the costs incurred in respect of those notices would have amounted to very nearly as much as the debt would which was sought to be recovered thereby, and in many cases would exceed it; and in order to illustrate the outrageous enormity of that course of conduct, the notices—to give additional facility to the attorney—were actually litho-



graphed, which would of course considerably multiply the number of copies intended to be issued. My application is, that your Honour would be pleased to grant me a sitting for the purpose of summoning before this Court the attorneys and clients, for the purpose of knowing what sums they have received—the attorneys in the shape of costs, gratuities, or “hush” money, to induce them to stay proceedings against individual shareholders, and what sums the clients have received through the attorneys of shareholders, or from shareholders themselves, either on account or for the purpose of staying proceedings. It is impossible to over estimate the importance of this question and the injury which it is doing, not simply to the shareholders, but to the creditors. I happen to be engaged for shareholders and creditors, but I am here representing creditors, because it is only on behalf of them that I am entitled to make this application, although the shareholders are equally to be considered on all questions affecting the general interests of the estate. I say it is impossible to over estimate the importance of this question, the effect of it being, day by day and hour by hour, to drive from the country the shareholders, who are not only able, but anxious, to pay and contribute towards the fund which is to be distributed for the purpose of satisfying them. Only last evening, at a meeting, at which my friend Mr. Linklater attended, representing the assignees, for the purpose of furthering the common object, and to obtain the most for the creditors at the least possible sacrifice to the shareholders, one of the shareholders, who is in an excellent position in life and a man of considerable means, and who had by a course of industry for several years realized a considerable fortune, came into the room and said, “All your deliberations are useless. I was yesterday served with six or seven different notices which a neighbour of mine had thrown over his garden wall, and which, no doubt, the process-server deemed to be good service; for, while you are doing what you can to raise contributions for the purpose of satisfying the creditors, I, who have the reputation of being wealthy, am being torn to pieces at the suit of individual creditors.” This Court has no power—I wish it had—to stay those proceedings; but this Court has the power to give us the opportunity of bringing before the court and the public the conduct of these men who, I say advisedly, and I would say if they were here, and would prefer saying it if they were here—and I would have mentioned their names publicly if notice had been given—are a disgrace to the profession to which they belong. (Applause.) My application is that your Honour would be kind enough to name a day on which I may summon to attend before you these parties who have brought these proceedings against individual shareholders.

Mr. Linklater—I need scarcely say, on the part of the assignees, that I concur in all the observations that my friend Mr. Lawrance has made; and the only question which has to be decided is the mode of proceeding. It seems to me that the assignees are scarcely the persons to take up the cudgel, as it were, for the shareholders; they are willing to render all the assistance they can to bring about the result which all are desirous to effect. There is no doubt that these proceedings against shareholders are most nefarious, conducted, as they have been, against individuals; and they are certainly anything but beneficial, either to shareholders or creditors themselves, and it is important that all the creditors should know that it is to their interest to abstain from proceeding against individual shareholders until it be seen whether the scheme which has been set on foot shall or shall not be successful. The assignees are working with a committee of shareholders for the purpose of raising such a fund as it is anticipated will satisfy the creditors; but that will be very much frustrated if in the mean-



time they are to be driven from their homes and have their peace of mind sacrificed by constant litigation. It is most painful, and it must excite the sympathy of all, and the assignees are most anxious to do all that can be done for the purpose of putting a stop to these proceedings. It has been said that a receiver should have been appointed for the purpose of preventing this individual litigation; but I am happy to say that this litigation arises, not from the general body of creditors, but it comes from a class of persons who have control over clients, and pursue those who are willing to contribute to the general good. The non-appointment of a receiver is not attributable to any fault on the part of the assignees; but upon the best considerations they could give the case they came to the conclusion that it would be better that the shareholders should meet for the purpose of raising a fund, and I doubt if a receiver had been appointed that the object would have attained. The committee is now sitting for the purpose of considering the schemes which are now laid before it, in which Mr. Wyld and others are aiding, and we hope to be able to come to, and carry out, such an arrangement as will satisfy all. But if, in the meantime, individual creditors, or rather their solicitors, are to take proceedings against members of the company for the recovery of their debts, it is highly improbable that any persons, however well-intentioned, can carry out any such deliberations so as to result in benefit to all. I am willing to adopt any course the Court may suggest, but it seems to me that the shareholders are suffering from this more than the creditors, and I do not think that the costs of this should be borne by the assignees or the bankrupt estate.

The Commissioner—I do not entertain a doubt about it being desirable to stop unnecessary litigation; there can be no question about that, and everybody can feel for the position in which individual shareholders are placed by these proceedings; but at the same time I feel bound to say that the investigation which has been now asked for is one which I do not think can legitimately come under the control of this bankruptcy. It is an inquiry with which I think I have no right to interfere. The same matter has been brought before a much higher tribunal. I think it was mentioned before the Lord Chancellor and Lord Justice Turner, and both of those learned judges found that they had no power to interfere, and I certainly, therefore, do not entertain any doubt upon the subject with regard to the power of this Court. The object seems to be a desirable one if it would have the effect of stopping the proceedings, but it seems to me that the object here is rather to expose the conduct of particular individuals who have occasioned the proceedings which have taken place. I have no right here to review the conduct of individuals over whose proceedings I have no control; but if there were any creditors who had proved under the bankruptcy, and at the same time were receiving money by reason of proceedings against individual shareholders, the assignees might have a right to inquire of those particular creditors, if any such there be, what they have been receiving from individual shareholders.

Mr. Lawrance—It appears to me that the same objection and difficulty would attend the selection of a particular case, calling upon the assignees to support an application to expunge the proof. If the assignees declined to do so, then it is open to any one or two shareholders, upon giving the usual undertaking, to call upon the creditor to show cause why his proof should not be expunged; and in support of that it would be open to me to show what had been paid in the shape of costs or gratuity, and it would be for the creditor to make out that he had not received more than his debt.

The Commissioner—I do not think I have power to ascertain what money has been received by the creditor in diminution of his debt against the bank, and as to costs and so on.



Mr. Lawrance—I feel the difficulty the Court would be placed in ; but I shall reserve to myself the right which is given to me by the statute of selecting one or more cases, and giving, if necessary, the required undertaking in order to expunge the proofs. But without putting the creditors to any expense, the assignees have the power—

Mr. Linklater—The assignees must give the undertaking ; and as my friend's clients are more interested in it than we are, if any expense should be incurred it should not be borne by the assignees, but by the individual shareholders.

Mr. Lawrance—There is no distinction as to assignees and creditors under the 183rd section. That is a matter for arrangement ; if the matter is to be done, it does not matter much whether it is done by my friend or myself. We are all interested in reducing the proofs as much as possible, and it is desirable also for the shareholders who are having proceedings taken against them to know whether the debt has been fully satisfied ; and, if not, what portion of it remains unpaid. Your Honour will, I hope, pardon me for making the application, but I feel so strongly the conduct of some practitioners in this case that I shall take every opportunity, even at the risk of wearying the Court, of bringing the facts prominently before your Honour.

Mr. Engart was here called. He said he had instructed proceedings to be taken. He did not know the names of the shareholders against whom proceedings had been taken. Nothing had been done. Merely notices had been given ; nothing further. About four or five notices had been given. Mr. Moore, of Mark-lane, was his attorney. Nothing had been done since. He had no intention of going on unless he did not get paid.

Mr. Linklater—Sir, now the business of the meeting is at a conclusion, but I think it may be well to state that the proofs to-day amount to about £160,000, the proofs of creditors not taken at the last meeting, and we shall be able to pay the same dividend to them that we paid to the former creditors, namely, 5s. 6d. in the pound. There are about 1,500 of these creditors, and the former proofs amounted to 2,200. I may take this opportunity of stating that there was some complaint made with reference to an inconvenience sustained by some of the creditors at the receipt of their dividends on the last occasion ; but it may readily be understood that, notwithstanding all the exertions which were made on the part of the assignee and his clerks, and more especially I may say of Mr. Cooper and the messenger of the Court—notwithstanding their desire to do all they could for the convenience of the creditors, it was found at first that the machinery was scarcely in proper order ; however, on the second day things went on very smoothly, and the creditors received their dividends without any inconvenience. And I do not doubt but that the means which were then adopted will be taken on Saturday in the next week, as that will be the first day, I think, on which the further dividend will be paid ; and having regard to the fact that so many warrants have to pass through the accountant's office, we had better say also on Monday and Tuesday, as probably it will be better to extend it to three days. Then some little complaint was made that the dividend of 5s. 6d. in the pound was paid at the last meeting to those who had then proved ; but it would have been manifestly unjust to those who had come in first that they should have been delayed for the three weeks which must necessarily have elapsed, so as to have allowed the fresh creditors to come in and prove. All will be now placed on an equality. I believe I may say that all debts, or nearly all, are proved, with a very slight exception, under the estate. The amount on the former occasion was £360,000 ; the amount on the present occasion will be about £160,000 ; so that we have proofs to the amount of £510,000 or



£520,060; and I do not anticipate that those figures will be altered in any great degree; probably only between £5,000 or £6,000 more may be ultimately proved against the estate. We are in expectation, having regard to the realisation of the property, which is now freed from all liability, and we hope to be able to make a further dividend among the creditors at the end of another month; and although it has been said elsewhere that this estate is to lose the benefit of the Welsh mines—which are supposed to be of so much value, and undoubtedly they are valuable—I am happy to say that, though the representation which has gone forth to the public, that the leases of these mines are forfeited by bankruptcy, although true in fact, and would be equally forfeited under the winding-up, Mr. Talbot has kindly consented to waive all forfeiture either under the bankruptcy or the winding-up, and he is quite willing to accept any tenant the assignees can find, who may be willing to take the property from us. It is very desirable, and no doubt some capitalist will be found ere long who will pay the price which the assignees may think reasonable. We are already treating and negotiating, and we hope that the result will be successful to the estate. Allusion has been made to the litigation which is pending, but may I take this opportunity of saying—and I am happy to say it—that there is no litigation whatever pending at the instance of the assignees beyond the mere ordinary legal proceedings which are necessary for the administration of the estate? And, looking to the future, I may say that I see no reason to anticipate that there will be litigation with any one. The great object of the assignees is that the assets should be realised and divided as speedily as possible among the creditors, and that there should be no difficulty or litigation about it whatever. The dividend to be paid has been aided by the funds of the shareholders themselves, who have a committee for aiding in carrying out the scheme which has been suggested on the part of the assignees, who have taken infinite pains and trouble to bring about some arrangement between the shareholders and the creditors. The litigation which has been going on between the individual creditors has been alluded to. Of course, I need scarcely say that the assignees have been unable to see their way to afford protection to the shareholders. In fact, the law does not give them power; but most assuredly the litigation by individual creditors is not attributable to the bankruptcy, because, under the winding-up, the shareholders would be left at the mercy of every creditor who chose to take any kind of proceeding against them. The bankruptcy has, however, effected one great object, as there has been an equal and a speedy distribution. Under the winding-up, there would have been a race among the creditors for the property, and we should not have had the power by law to equalise the assets among those who came to claim under the bankruptcy. I should state also, with reference to the call which has been made, that there has been some misapprehension as to the object the assignees had in preventing the disclosure of the examinations of individual shareholders. It has been intimated, and I have seen it in print—not that there is any particular magic in that, but still print goes forth to the public—I have seen it observed that the consequence of the withholding of these examinations from the public will deprive them of the benefit of investigating and knowing the affairs connected with the bank and its formation, which it is very desirable should be published to the world. I may confidently say, in your Honour's presence, and subject to correction, that the effect of withholding these proceedings is nothing of the kind; it is merely withholding from the public, in all probability, what, if published to the world, would be injurious to a shareholder with reference to his pecuniary means and ability to meet every call—a call made, not by the assignees, as has been erroneously supposed, but a



call made before the bankruptcy, which is a debt due from the shareholders to the bank, just as much as any debt is due from a person on a cash credit account, or any security the bank might hold—and which call the assignees have been bound by law to enforce payment of as far as they could. In the exercise of that duty, they have desired to spare pain to the shareholders, which would not result to the advantage of the estate, and it had been found more consistent in common fairness that these gentlemen, on being brought here for the purpose of showing cause why they should not pay the call which is due from them to the bank, should not have their names paraded before the public, in order that they might be made a mark or target to be signalled out immediately as persons against whom proceedings should be commenced. That has been the only object of the assignees. They intend fairly, and without favour or affection, to pursue these inquiries, which it is their bounden duty to prosecute, and there is no man, high or low, that will escape that vigilant investigation which the assignees have instructed us to prosecute on behalf, not only of the suffering creditors, but of the suffering shareholders generally; and it is to be hoped that this bankruptcy will have the effect, hereafter, of preventing the possibility of a recurrence of that which has been so disastrous to thousands. I have felt it my duty, on the part of the assignees, to make these observations, because many steps through this bankruptcy have been so misunderstood, and parties have really not had regard to this important fact, that the creditors themselves are the persons, and not the assignees or any other individuals, who consider that the administration in Bankruptcy would be best as it has in the result shown to be for the interest of the creditors.

The Commissioner—Have you any calculation made as to the future amount of assets you will be able to collect in the bankruptcy?

Mr. Linklater—I am much obliged to your Honour for putting that question to me, as I intended to make an observation upon that, which I had forgotten. The official assignee at present has in hand about, I should say, £50,000. The 5s. 6d. paid to the creditors upon that £160,000 would amount to about £42,000 or £43,000; it would leave, therefore, in hand about £7,000. The official manager having now consented to act in entire concurrence with the assignees, and to aid them all in his power in the realisation of the property, undoubtedly, it will tend to the advantage of the estate, and probably produce a considerable sum more than if that concurrence were not obtained. In dealing with title to property, of course purchasers will be very glad to hear that the official managers and the assignees are concurring in giving a title to purchasers. The official manager is to hand over the sum of £11,000, in a day or two, out of the £20,000 which has been obtained; and, very shortly, as soon as the calls have been obtained by him, another sum of £5,000 will be handed over, so that we shall get upwards of £16,000 from the official manager. Within a week or ten days, or perhaps rather more than that, and, as soon as that is done, with the realisation of the property of Mr. Humphrey Brown, and other securities which the assignees have at their disposal, we hope, by the end of the month of February, to make another dividend. I am in very great hopes, by that time, that the exertions which are now being made for a general arrangement will be successful, and that there may be a close to all matters connected with the Royal British Bank.

The Commissioner—It will be a very desirable ending.

Mr. Linklater—It will be a very desirable ending, and also, I may say, it will be as much to the interest as it will be to the satisfaction of the lawyers concerned.



The following communication announces the result of the negotiations lately in progress for a compromise between the shareholders and the creditors of the Royal British Bank. Six shillings and sixpence in the pound, beyond whatever may be realised from the assets, has been agreed upon as the contribution that would be equitable under the circumstances :—

“South Sea House, Feb. 7.

“Sir,—During the last fortnight communications have been constantly going on between the committee of the shareholders of the Royal British Bank and the committee of depositors. On Friday evening, at a full conference between these two bodies, the accompanying resolutions were unanimously passed. By the plan of compromise now adopted, a way of deliverance is open to the shareholders, and it is hoped an end will be put to the fearful litigation that has been going on for some time past.

“I am, sir, your obedient servant,

“GEO. GILLOTT,

“Chairman of the Committee of Shareholders.”

“Resolved unanimously :—

“1. The shareholders of the Royal British Bank (through their committee) propose and agree to pay to the creditors of the bank a composition of 6s. 6d. in the pound, by two instalments, of 3s. in the pound on the 2nd of March next, and 3s. 6d. in the pound on the 17th of April next, the creditors to receive such dividend beyond the assets under the bankruptcy, in discharge of the debts due to them from the bank. The call of £50 per share, made by the directors, not to be enforced after the acceptance of the offer by the general body of creditors, and no proof to be made against the estate in bankruptcy in respect of any deposit or claim by a shareholder. The details of this arrangement to be agreed on between the solicitors of the committee of shareholders and the committee of depositors respectively.

“2. That it is desirable a receiver should be appointed, if practicable, so as to afford protection to the shareholders, and also that all the creditors should be required to execute a release to all the shareholders; but, whether such appointment be made or release be obtained or not, the shareholders pledge themselves to pay the composition of 6s. 6d. in the pound, as mentioned in the foregoing resolution.”

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*Court of Chancery, Lincoln's-inn, Feb. 18th—(Before the LORDS JUSTICES OF APPEAL.*

IN BANKRUPTCY.

EX PARTE MARCUS, IN RE THE ROYAL BRITISH BANK.

Mr. Bacon and Mr. W. D. Lewis appeared in support of an application for leave to appeal to the House of Lords against the decision of the Lords Justices, refusing to annul an adjudication of bankruptcy pronounced against the above company. The application was founded on the 18th section of the Bankrupt Law Consolidation Act, the 12th and 13th Victoria, c. 106, by which it is enacted “that if the Lord Chancellor shall in any case deem any matter of law or equity brought before him by way of appeal to be of sufficient difficulty or importance to require the decision of the House of Lords” (or in a certain other case), “then or in such case the whole facts whereupon such question of law or equity shall arise shall be stated in the form of a petition of appeal to the House of Lords; and the party appealing may carry an appeal to the House of Lords in like manner as other appeals are preferred to that House.”



Lord Chief Justice Knight Bruce called on the parties who opposed the application to say why the appeal should not be presented.

Mr. Rolt, at considerable length, argued that the whole matter was in the discretion of the Court, and when it was considered that the assignees had been acting so long on the assumption that the decision of this Court would stand; that a dividend of 5s. 6d. in the pound had been paid, amounting to £150,000; that another dividend would be paid in March of at least £50,000; and that £80,000 was about to be collected to meet a compromise, which had been all but agreed to, the Court would not allow a petition to the House of Lords to intervene, and so cause the utter ruin of the shareholders. If it were known that an appeal was to go to the House of Lords, the compromise would be put an end to, and all debtors would refuse to pay.

Mr. G. M. Giffard and Mr. Joseph Burne (of the common law bar) followed on the same side.

Mr. Selwyn appeared to oppose the application on behalf of some solvent shareholders, who were willing to pay if the litigation could be put an end to.

Mr. Swanston, for the directors, also opposed the application.

Lord Chief Justice Knight Bruce said, he should have thought, and his learned brother, he believed, thought, that if the application had been made immediately or soon after the decision of this Court, the right of the petitioner to have his appeal heard before the House of Lords was plain, as the difficulty and importance of the question were manifest. His Lordship was surprised that right could have been presented to the Court by such counsel as had been heard. The question of time was, however, material, and the reply would be confined to that.

Lord Justice Turner was exactly of the same opinion as to time, but gave no opinion on any other point.

Mr. Bacon explained that though the order was made so long ago as the 19th of December, yet that it had not been drawn up; that the petitioner laid instructions before him to apply for leave to appeal on or about the 13th of January; that the hope existed that a compromise would be effected, and therefore Mr. Marcus had not been in a hurry to apply to the Court; but when he found that further delay took place, he then presented his petition.

Witnesses were examined *viva voce* by the Court, from whose testimony it appeared that the assignees had had no notice of the intention to appeal until Saturday last, the 14th of February last.

Mr. W. D. Lewis addressed the Court in favour of the application, and in very strong language denounced the amount of litigation and the impropriety of the proceedings in bankruptcy after the order for winding up had been made.

Lord Chief Justice Knight Bruce said that, according to his opinion of the true construction of the act of Parliament, it was incumbent on a party wishing to appeal to make the application at the time, or immediately or within a reasonable time after the order had been pronounced. True it was, that what was a reasonable time in one case would not be so in another. If ever there was a case in which diligence in showing an intention to appeal ought to have been manifested, this was the case. Here the assignees had, to the knowledge of Mr. Marcus, made dividends, brought actions, effected sales, and otherwise collected the assets, and the only excuse for not coming earlier was, that the order of the 19th of December had not been formally completed. The only thing which was wanted in that order was to fill in a blank for a sum of money, and that order had been drawn up by his learned brother with care and precision, and upon the footing of the order the



assignees had acted, and no intimation, direct or indirect, had been given to them by Mr. Marcus, or on his behalf, that he intended to dispute its validity until Saturday last. Under these circumstances his Lordship was of opinion that an unreasonable time had been permitted to elapse, and therefore an appeal to the House of Lords could not be permitted. His Lordship reiterated his clear opinion, that if the application had been made in due time it must have been successful.

Lord Justice Turner was entirely of the same opinion, and agreed that the application must be refused, but without costs. His Lordship regretted to be obliged to come to that conclusion, inasmuch as it was a refusal to allow an appeal from a decision of this Court, which under ordinary circumstances he should most cheerfully allow.

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*Court of Bankruptcy, Basinghall-street, Feb. 19.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

THIS was a meeting for the last examination of the directors of the bank.

Mr. Linklater appeared for the assignees, and Mr. Lawrance, Mr. Piphard, Mr. Chidley, Mr. Reed, Mr. Mason, and Mr. Marsden for various directors, shareholders and creditors.

Mr. Marsden, for Mr. William Adcock, applied for an order for the payment of the dividend under the following circumstances:—Mr. Charles Hunter was a depositor to the amount of £1,066 in the bank. In September last he sold that debt to Mr. Adcock. Inquiry was made of the official assignee, and the debt was assigned to Mr. Adcock in November, 1856. Subsequently Mr. Linklater had required an examination of the assignment, and was satisfied. On application being made for the dividend, it was found that a claim was lodged on behalf of Mr. Weatherfield. Mr. Hunter, it appeared, was alleged to have entered into an agreement with Mr. Weatherfield for the purchase of a house, and for which he was to be given two deposit notes of the bank for £711. Mr. Weatherfield, as he was instructed, could not establish a title, and Mr. Hunter thought that the purchase had gone off.

Mr. Piphard asked for an adjournment. Mr. Weatherfield was ill, and inquiry was desirable and necessary. Mr. Hunter had absconded after the agreement was made.

Mr. Linklater said the assignees had no interest in the matter.

The Commissioner—Mr. Weatherfield's claim is limited to the deposit notes of £711. The other part is undisputed?

The Court was informed that this was so.

The Commissioner said, Mr. Hunter had proved the debt, and they had his affidavit that the debt was due to himself. The Court could not, behind his back, order the amount of the dividend to be paid to Mr. Adcock when another claim was put in. There must be an adjournment, and Mr. Hunter could be examined.

Mr. Marsden—We do not know where he is, further than he is abroad.

The Commissioner—I am sorry I cannot, under the circumstances, help you. There must be an adjournment.

Mr. Linklater said he would just mention that there was also another claimant for the dividend, arising from an attachment in the Lord Mayor's Court.

An adjournment of the claim was then ordered to the 12th of March.

Mr. Linklater said, this was the day appointed for the last examination of the directors, who were required to file the balance-sheet of the company.



It was not expected that the accounts would be ready so as to enable the directors to pass to-day, and indeed there were certain inquiries now in progress which it was essential should be first concluded. Those inquiries would be prosecuted with due diligence, and Mr. Coleman, the accountant, stated that he would require a month or five weeks before the balance-sheet could be completed. It was necessary that the assignees should have abundant opportunity of investigation, and he (Mr. Linklater) proposed therefore that the sitting should be adjourned for at least two months. A dividend of 5s. 6d. in the pound had been already paid on proofs amounting to £517,000, so that there would not be many more to come against the estate, and he expected to make another dividend early in next month. Under these circumstances, the assignees recommended that an adjournment should be ordered for two months or more, and by that time it was to be hoped that the accounts would be filed, and that the assignee would have had an opportunity of investigating them. Mr. Linklater continued,—We are also in hopes that before then matters will have so far progressed that we may be able to announce the fact that shareholders are no longer in peril from proceedings of individual creditors. The assignees are desirous of impressing upon creditors the great importance of withholding proceedings against individual shareholders, in order that the general arrangement for compromise may not be frustrated, by depriving us of the funds that would be subscribed by those shareholders who are willing to do their duty to the general body, but who, in the event of individual proceedings against them, may be driven out of the country or forced to seek protection from this Court. An application (the last, I hope, which is to be made with reference to the litigation with which the assignees have been visited) to the Court of Chancery was made yesterday, and I am very happy to be able to announce that that application was unsuccessful. It was an application on the part of the gentleman who was brought forward to petition to annul the bankruptcy. The application was made in December, in last year, and leave was asked to appeal to the House of Lords. That leave was refused. The Lords Justices intimated that, after such a lapse of time, it would be an injustice to allow such an application to succeed, funds having been divided and acts done by the assignees on the faith of the order maintaining the bankruptcy being acquiesced in by all parties. Under these circumstances, one is led to hope that, as far as the assignees are concerned, they will not be exposed to any more litigation, and the shareholders have now come to the unanimous resolution to raise a sufficient fund for the payment of a composition which is admitted on all hands to be reasonable and fair. We hope that in a very few days the creditors will be called together, in order that they may come to such unanimous resolution as will enable the shareholders to carry out this arrangement. It is only upon occasions of this kind that the assignees have the opportunity of expressing to the public how exceedingly important it is that there should be an end of individual process, which can but have the effect of exhausting means that ought to be applicable to the payment of the debts.

Mr. Lawrance—There is no objection to the adjournment proposed by my friend Mr. Linklater—it is simply a question of time. Shareholders should now use their best exertions to carry out the compromise to which the assignees and committee of depositors, as far as they can in their corporate character, and almost without exception in their individual capacity as creditors, have given their consent and are willing to give their co-operation. The proceedings taken by individual creditors against shareholders have had the effect of sending from the country many of those from whom the largest amount of contribution was expected. The creditors as a body



have been most considerate and forbearing, and the aggravated and vexatious nature of such actions as have been commenced arises from the multiplicity of the notices to recover the same debt. In one case, where the debt was originally £48, the creditor, a woman, proved that debt under the bankruptcy and received the dividend of 5s. 6d. in the pound, thereby reducing the balance to about £30. An action was brought against the official manager, and judgment was obtained against him. Executions were levied in three different counties for the purpose of obtaining a return of *nulla bona*, and no less than nine notices were served on nine different shareholders in respect of that wretched fragment of a debt. The costs thereby incurred amounted to at least thrice the sum sought to be recovered, or rather the sum due, for it would be erroneous to say that the attorney was seeking to recover payment of the debt. I wish to impress upon the shareholders for their own sakes the absolute necessity of discharging all personal considerations, and at once assisting the assignees in carrying out a compromise to which they have already given their cordial and ready assent. Creditors, even the most forbearing and most considerate, cannot be expected to abstain from proceeding for an indefinite period, and unless the shareholders will exert themselves to raise a sufficient fund, it is clear that such cases as that I have already mentioned will not be exceptions. I am bound to state that the proceedings which take place here, and obtain publicity, represent but a very, very small portion indeed of the personal labour and anxiety, and the sacrifice of domestic comfort, which have been undergone by those interested in the affairs of this bank, whether acting as solicitors for the assignees or for shareholders, with a view to the ultimate settlement of the affairs of the company. The assignees have, through my friend Mr. Linklater, shown the greatest desire to meet the committee of shareholders, and at a recent meeting of their committee, Mr. Wyld, the chairman, whose talent is so well known, evinced the utmost anxiety to assist the shareholders by bringing his influence to bear upon the creditors for their benefit. Under those circumstances, I hope that my friend's prophecy will be abundantly verified, and that at the next meeting we may have to report a general settlement of all the affairs of the bank. At all events, the shareholders will now see that this desirable result depends upon themselves.

Mr. Reed—I will only add one word, and that is rather in corroboration of what my friends have stated. I cannot allow the opportunity to pass without expressing, on the part of the shareholders and directors whom I represent, and I think I may say the shareholders generally, the obligations which they owe both to the assignees and to the solicitors for the assignees for the manner in which they have conducted all the proceedings relating to this estate. We have received the greatest forbearance from them, and the greatest assistance.

Mr. Lawrance—I ought to have stated that the application of yesterday was made nominally at the instance of a single shareholder, and was loudly protested against by those shareholders whom my friend and I represent, and that we instructed counsel representing shareholders to an enormous amount to urge the Lords Justices to refuse the application. We felt that the application to appeal was most injurious and vexatious, and, in fact, most wicked.

Mr. Linklater—I can say, for the assignees, that they have no greater anxiety than to bring about this general settlement.

The Commissioner—On the part of the Court, I have had occasion more than once to express my sense of the satisfactory way in which the proceedings have been conducted on the part of the assignees and of their solicitors.



As regards the shareholders, it is only by unanimity that there can be a possibility of their doing what will be satisfactory to the creditors. Without unanimity, I very much fear things will remain in the same position in which they now are.

The 30th of April, at eleven o'clock, was then fixed for the passing of the last examination.

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### MERCATOR ON THE BANK CHARTER ACT.

WE now furnish the fourth and last letter addressed by "Mercator" (Lord Overstone) to the editor of *The Times*, on the subject of the Bank Charter Act, and it will consequently be available for reference. The committee appointed to investigate the whole question will no doubt examine a multitude of witnesses, so that some months will necessarily elapse before the investigation is concluded. Both bullionists and anti-bullionists will have full opportunity for broaching their particular theories, and some anxiety will be evinced to ascertain the nature of the final report.

*To the Editor of The Times.*

SIR,—The impossibility of repealing the Bank Charter Act, the expediency of subjecting it to any important modifications, the mismanagement of the circulation, and consequent danger to the safety of specie payments, out of which the necessity for the act arose, the principles upon which the act was founded, the result which it has secured, the failure of all the sinister predictions of its opponents, the confirmation it has afforded to the anticipations of its supporters, the stability of public and private credit during the recent severe pressure upon the exchanges, the wonderful development of industrial energy and of national prosperity which has been in almost uninterrupted progress through the twelve years during which the act has been in force; all these topics have passed under our review. They constitute a mass of evidence in support of the act of 1844, to which it is needless to attempt to add further strength.

Two points, however, remain to be noticed before the discussion is finally closed. This shall be done as shortly as possible, because these letters have already occupied too large a space in your columns. Those who maintain that the act of 1844 is too restrictive, and wish to return to the system of 1819, chiefly rely on the case of 1847. The true character of that crisis has not been analysed with sufficient care, and therefore it has not been correctly understood by the public. It was not monetary derangement, or a failure of the act of 1844 to accomplish its legitimate purpose. It was a case of banking mismanagement on the part of the Bank of England acting upon the community, at that moment peculiarly susceptible of alarm, under vague and ignorant apprehensions of the effect of the new law. The bullion sustained no dangerous diminution of amount at that time, the notes put forth by the issue department continued to vary with the amount of bullion, the notes circulating with the public were not reduced to an unreasonably low amount; and, in fact, it was proved by the result that they were sufficient for the business and requirements of the country. Danger from undue exhaustion of the bullion is the evil against which the act undertakes to protect the community; against an improper exhaustion of the banking reserve, and the consequent inconveniences, it is the duty of the Bank of England to take timely and effectual measures of precaution. The act accomplished all its legitimate results on



this occasion, and everything went well with the issue department. Not so, however, with the banking department, the regulation of which is not the proper function of the act. The banking reserve of the Bank of England was under a process of continual diminution; the Bank, however, did not raise its rate of interest, but continued its advances as usual, until this reserve was reduced to a dangerous extremity. Sudden and violent measures then became necessary, wild alarm was everywhere excited, and the notes circulating with the public, although the total amount was high, ceased to perform the ordinary functions. All the consequences ensued which may be expected when a concern of colossal magnitude, in a critical and trying period, is not conducted with corresponding foresight and prudence.

Infirmity of purpose and undue delay in the requisite precautions on the part of the Bank, arising out of previous bad habits and established prejudices, were witnessed in combined operation with nervous timidity on the part of the public, arising out of vague apprehension of a new system of monetary legislation, respecting which the most extravagant alarms had been spread abroad. The result was panic—that is, a paralysis of that mutual confidence between man and man, without which the common transactions of society cannot proceed. The amount of the circulation was not insufficient, but the confidence necessary to enable the public to make a proper use of it was in suspense. The sudden collapse necessarily resulting from the great abuse of credit, and the vast amount of imprudent speculation founded upon it, contributed, no doubt, to the unfortunate prostration of confidence; and it may be safely affirmed that, without the timely intervention which the act of 1844 secured, this abuse of credit and excessive speculation would have continued longer unchecked, and that the ultimate results would have been more extended trading embarrassment, increased prostration of public confidence, and, finally, danger of exhaustion of the bullion. The mercantile disasters of that period were inevitable under any monetary system, on account of the false state of credit which then prevailed. To these might have been added suspension of specie payments—a calamity from which the provisions of the act of 1844, and those only, gave us any effectual security.

The course recently pursued by the Bank of England presents a striking contrast; and the public have reaped all the legitimate fruits of timely precaution and enlightened firmness on the part of that body, as well as of reasonable self-possession and confidence on their own part.

Fluctuations in the rate of interest are by many persons laid to the charge of the act; and the measure, it is contended, has failed, because it has neither prevented great fluctuations, nor maintained a general low rate of interest.

The framers and supporters of the act never undertook to regulate the rate of interest. They knew that interest is the price paid for the use of capital, and that that price must depend upon the proportion between the supply and the demand for capital. To regulate that proportion, or in any direct way to influence it, is not an appropriate purpose of measures the simple object of which is the proper regulation of the amount of the paper money. But, in addition to the inexpediency of any effort to regulate by law the rate of interest and its fluctuations, there is the impossibility of success in the attempt. By what means is it possible to prevent the transference of capital or money from country to country? There is a constant tendency towards an equilibrium in the value of money in the different trading towns in the world. If the rate of interest be high in Hamburgh and New York and low in London, through how many varied forms will



money be drawn from London to the aid of those places, securities transmitted for sale, bills sent over for discount, draughts drawn against credits, &c. Not long since, when the rate of interest rose at Hamburg to 8 per cent., all these means of drawing money from London were put into action; and the only mode by which the money market of London could be protected was, a rise in the rate of interest here until it approached the level of that of Hamburg. To prevent fluctuations in the rate of interest in England, it would be necessary to have the power of regulating them throughout the whole commercial world. The friends of the act of 1844 do not pretend to be in possession of this secret.

All conquest, it has been wisely remarked by a great historian, must be ineffectual, in a light of precaution, unless it be universal. Some neighbouring country must lie upon the frontier, and disturb by its proximity. So it is with the rate of interest under the modern facilities for international intercourse and the transference of capital. Whatever be the cause which disturbs capital, or powerfully affects the rate of interest in other countries, the vibration must be felt with us. We cannot enjoy ease, abundance of money, and low rate of interest while our neighbours are straitened by difficulties and embarrassed by pecuniary pressure.

But upon what reasons does the assumption rest that fluctuations in the rate of interest afford presumptive evidence of anything unsatisfactory in the condition of the country in which they occur? Are they not rather the necessary accompaniments of the rapid creation of wealth? A steady and unvarying rate of interest is generally the result of a torpid state of capital and of industry, while in countries rapidly advancing in prosperity by means of industrial energy, speculative activity, and commercial enterprise, there will always be fluctuations in the rate of interest. Are there any cities more progressive in material wealth and in commercial prosperity than Hamburg or New York? And, in those cities, the rate of interest is subject to frequent and violent fluctuations. Take, on the other hand, the case of Holland, a country of great accumulated capital, and which is adding to that accumulation by large annual savings, but in which the spirit of enterprise which generates great national progress is comparatively quiescent. Here we find the rate of interest lower, and the fluctuations more restricted. Inconsistency in their expectations is a common source of delusion with communities as well as individuals; and a stronger case of such inconsistency cannot well be conceived, than that of wishing to combine the ease supposed to attend a low and unvarying rate of interest with continual progress in all the elements of national prosperity. In our physical condition, in our intellectual character, and in all that concerns our material prosperity, the law is the same—no great result will ever spring from quiescent indulgence. Bodily health, mental vigour, national progress in prosperity and wealth, can be secured only by constant stir, unremitting struggle, competition, and rivalry, and in the never-ceasing variation of circumstances and condition which these necessarily generate. We may, therefore, cast aside all weak apprehensions caused by fluctuations in the rate of interest. They are indicative of energy in our commercial spirit, and of progress in our national prosperity. A high rate of interest, when it occurs, does not necessarily arrest trading activity, and convert real prosperity into embarrassment and ruin. Upon this point, we may appeal to the present condition of the country, and to the course of events during the past year. It is *false* prosperity, *excessive* credit, and *over* trading, which alone are seriously embarrassed by monetary pressure and a high rate of interest. Those who trade with their own capital, or who rely, to a moderate extent only, upon the support of credit,



experience little inconvenience under such circumstances, while the bold speculators, who depend for the means of supporting their enterprises to an undue extent upon borrowed capital, are inconvenienced by the increased difficulty of obtaining it, and the high price they must pay for it. In producing this result, does not that pressure really render good service to the community by checking the too rapid expansion of speculative transactions, thus destroying the seeds of future evil, and arresting the progress of spreading mischief? We have had monetary pressure and high rate of interest in 1847 and 1856. In the first case, it was accompanied by extensive mercantile embarrassment. In the latter, we have had nothing of the kind.

What is the cause of this difference?

In 1847, the monetary pressure fell upon a state of mercantile affairs prosperous in appearance, but really unsound. Trading upon borrowed capital and credit had been carried to an undue extent. The pressure detected that unsoundness, and arrested the further spread of it.

In 1856, it has fallen upon a comparatively sound state of trade; it is therefore unaccompanied by any general embarrassment, and we hear little or no serious complaint respecting it. The outcry against the act of 1844, as causing a degree of pressure which trade cannot bear, is altogether fallacious; the pressure is, in fact, unavoidable under any monetary laws which are not inconsistent with the maintenance of specie payments. A sound state of trade not only bears the pressure, but takes no serious account of it.

An unsound state of trade feels the pressure in proportion to its unsoundness, and the very sense of the pressure proves the necessity and the usefulness of it.

I cannot venture to trespass further upon your columns, although the subject is not exhausted, nor have the considerations alluded to undergone a full examination.

In proposing to Parliament the measure of 1819, Sir Robert Peel adverted to the restoration of the money of the country to its just value as one of the distinguishing features of the reign of Elizabeth. A similar service rendered to the country by the acts of 1819 and 1844 consecrates his own memory. Is there the minister who will now venture to reverse the principles on which these measures rest, to roll back the tide of knowledge on these questions, and to plunge the country again in the confusion and difficulty which are inseparable from a system of paper money subjected to no fixed limitation of amount, and therefore of undefined and ever-varying value? The country is exposed to no such danger. The Government is too wise to submit such a proposition, and Parliament and the public, confirmed in their original determination by recent experience, would at once refuse to entertain it. The one single purpose of the act of 1844 is, to preserve a constant equality of value between gold and paper notes, and to render the notes at all times convertible into gold. Any objection, therefore, to our present system, on the ground of its supposed stringency or unnecessary pressure upon trade or industry, is, in reality, an objection to a gold circulation, or, in other words, to specie payments.

Is it the fact, then, that a metallic currency is necessarily inconsistent with national prosperity or progress? These depend upon the amount of capital, the distribution of it, and the rate of profit. In what way can a metallic currency exercise any injurious influence on these, the true sources of national wealth? The currency forms the medium through which the command of transferable capital is passed from one person to another; but it is important not to confound the instrument of transfer with the thing



to be transferred. The real difficulty, during a period of monetary pressure, is the deficiency of transferable capital to supply the requirements of those who have been carrying on transactions of greater magnitude and extent than they can support by their own legitimate means. A greater supply of this transferable capital, for the support of concerns which have relied too much upon credit, is the real want. More currency is the demand of short-sighted clamour. Not more absurd would it be, in a period of dearth, to clamour for more mills to grind, and more carts to distribute, the corn which does not exist; or, in a period of drought, to seek relief by multiplying the pumps when the springs are dry.

Let those who raise an outcry against the insufficiency of the amount of the circulation under the provisions of the acts of 1819 and 1844 directly meet this question. Until they do this, they must not hope to command the attention of an intelligent community.

Jan., 1857.

MERCATOR.

### THE ESTATE OF MR. G. B. ROCCA.

A MEETING of the creditors of Mr. G. B. Rocca, who failed on the 31st of December, took place on the 16th of February. Mr. E. Cohen presiding, when the following statement was submitted by Mr. J. E. Coleman, the accountant :

*Dr. STATEMENT OF THE AFFAIRS OF GIOVANNI ROCCA.*—JAN. 26, 1857.

To creditors on open accounts	...	...	...	£8,206	13	0
Bills payable	...	...	...	£11,226	12	9
Less Dr. balance against the same	...	...	...	9,316	8	3
					1,910	4 6
Other bills payable	...	...	...		11,307	8 0
To creditors fully secured:—						
Security held	...	...	...	£8,057	9	0
Claims	...	...	...	4,401	0	3
				3,656	8	9
To creditors partially secured:—						
Claims	...	...	...	£17,417	1	10
Security held	...	...	...	14,616	6	8
					2,797	15 2
					22,222	0 8
To liability on bills accepted for account of D. Trasciatti					55,412	11 5
Total liabilities	...	...	...		77,634	12 1
Or.						
By cash balance in hand	...	...	...		6,381	6 10
Bills receivable	...	...	...		1,596	4 11
Debtors good	...	...	...		4,385	19 10
General assets in hand	...	...	...		3,380	10 2
Ditto abroad, or on consignment	...	...	...		1,561	14 4
Surplus securities held by creditors as per contra	...	...	...		3,656	8 9
					£20,962	4 10
Less amount to be paid in full	...	...	...		66	2 0
By estimated produce of assets	...	...	...		20,896	2 10
Carried forward	...	...	...		£20,896	2 10



	Brought forward ...	£20,896	3	10
Amount standing to the debit of D. Trasciatti (Trieste)		44,067	3	5
Debit balances due by parties after they have taken up their draughts ...	£337	18	11	
Balances in hands of parties who are holders of bills receivable, &c., not yet due ... ..	95	6	6	
			433	5 5
		65,396	11	8
Balance of profit and loss and capital account ...		12,238	0	6
		77,634	12	1

With reference to the accounts, it was stated that, although the suspension occurred at the close of the year, it has been considered requisite to make them up to the more advanced date, as it includes those since received from abroad. The assets, the greater part of which can be speedily realised, will, it is believed, produce a dividend of 4s. 6d. in the pound, one-half of which may be paid in the course of a month. A point that attracted attention was the heavy expenditure of Mr. Rocca during the one and three-quarter years he was in business. The total amounted to about £15,000, of which £7,000 was on his personal account. After some discussion, it was agreed that the estate should be wound up under inspection, the gentlemen appointed to act being furnished with further information as to the private outlay. Subjoined, are the resolutions passed:—

“At a meeting of the creditors of Mr. Giovanni Battista Rocca, held at No. 23, Throgmorton-street, in the City of London, on Monday, the 16th day of February, 1857, Mr. E. Cohen in the chair,—

“Mr. Coleman, the accountant, produced and read to the meeting a statement of the liabilities and assets. It was resolved, That it is the opinion of the meeting that the affairs of the house should be liquidated under inspection, and that the following gentlemen be the inspectors:—Mr. E. Cohen, Mr. Charles Pietroni, and Mr. J. L. Melville; that a proper deed of inspectorship be prepared under the approval of the inspectors, and be executed by or on behalf of each creditor as soon as prepared, of which due notice shall be given; that such deed shall contain a covenant by Mr. Rocca to devote his time and attention, under the direction of the inspectors, for so long as they shall deem necessary, to liquidate the affairs of the house according to the rules of administration adopted in bankruptcy, as if bankruptcy had taken place this day, and covenants by the creditors not to sue, which shall operate as a release, upon the inspectors certifying that the liquidation has proceeded sufficiently, and upon Mr. Rocca executing an assignment of any remaining assets to trustees for distribution among the creditors; that such deed shall be a deed of arrangement within the meaning of the 224th section of the Bankrupt Law Consolidation Act, 1849, and the 228th section shall be applicable thereto.”

#### TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for the past year were issued on the 20th of February. They show the declared value of the exports of the produce of the United Kingdom to have been £115,890,857, or £20,202,772 in excess of those of 1855. With the single exception of wool, which



was retained as much as possible to supply the wants of our own manufacturers, every article is largely on the favourable side. Cotton manufactures still constitute by far our most important branch of export, but metals have greatly increased, and now present an extraordinary total. Woollen and linen manufactures stand next in order, and both show a large augmentation. Silk manufactures have likewise increased, but an allowance must be made in this case, as well as in that of cotton, for the advance in the value of the staple. Among the items that depend in an important degree on the colonial trade, haberdashery, hardwares, and leather figure for a steady improvement. Subjoined is a table showing the exact increase or decrease under each head :—

## DECLARED VALUE OF EXPORTATION.

Year ending Dec. 31st, 1855, and Dec. 31st, 1856.	1855.	1856.	Increase.	Decrease.
Alkali—viz., soda ... ..	£395,959	£606,323	£210,364	—
Beer and ale ... ..	1,398,885	1,457,425	58,540	—
Butter ... ..	570,506	693,762	123,256	—
Candles ... ..	250,993	357,749	106,756	—
Cheese ... ..	88,142	160,325	72,183	—
Coals and culm ... ..	2,446,341	2,820,860	374,519	—
Cordage and cables ... ..	261,117	278,000	16,883	—
Cotton manufactures ... ..	27,578,746	30,219,099	2,640,353	—
Cotton yarn ... ..	7,200,395	8,065,671	865,276	—
Earthenware ... ..	1,000,738	1,330,106	329,368	—
Fish ... ..	514,079	521,961	7,882	—
Glass manufactures ... ..	507,332	582,483	75,151	—
Haberdashery and millinery ... ..	2,682,537	3,636,872	954,335	—
Hardwares and cutlery ... ..	2,959,610	3,751,679	792,069	—
Leather ... ..	1,141,876	1,757,063	615,187	—
Linen manufactures ... ..	4,118,013	4,896,832	778,819	—
Linen yarn ... ..	932,981	1,365,656	432,775	—
Machinery ... ..	2,243,166	2,717,572	474,406	—
Metals ... ..	13,353,443	17,861,789	4,508,326	—
Oil and seeds ... ..	712,399	1,070,547	358,148	—
Painters' colours, &c. ... ..	314,473	436,080	121,607	—
Salt ... ..	847,685	401,240	53,555	—
Silk manufactures ... ..	1,082,592	1,764,539	681,947	—
Silk, thrown ... ..	209,936	908,227	698,291	—
Silk, twist and yarn ... ..	231,815	294,172	62,357	—
Soap ... ..	268,857	277,346	8,489	—
Stationery ... ..	593,206	722,431	129,225	—
Sugar, refined ... ..	99,916	785,169	685,253	—
Wool, sheep or lambs ... ..	986,523	950,093	—	£36,430
Woollen manufactures ... ..	7,718,374	9,512,891	1,794,517	—
Woollen yarn ... ..	2,026,095	2,883,422	767,327	—
Unenumerated articles ... ..	11,451,355	12,798,493	1,347,138	—
Total ... ..	95,688,085	115,890,857		

With regard to imported commodities, the quantity of breadstuffs taken is a prominent feature. Of other articles of food and luxury the consumption appears to have been moderate, considered in relation to the circumstances of the country. Cocoa, coffee, sugar, and tea present



a slight diminution. Spirits, wine, tobacco, and spices exhibit an increase.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Year ending Dec. 31st, 1855, and Dec. 31st, 1856.	Imported.		Home Consumption.	
	1855.	1856.	1855.	1856.
Grain, wheat, qrs. ... ..	2,667,702	4,072,833	2,086,189	4,107,941
Grain of other descriptions, qrs.	1,846,206	2,346,607	1,864,641	2,363,760
Indian corn, qrs....	1,215,333	1,777,813	1,224,281	1,788,212
Flour and meal, cwt. ... ..	1,922,318	3,991,367	1,940,219	4,038,242
Provisions—Bacon, &c. &c., cwt.	794,684	853,548	Free.	Free.
Butter and cheese, cwt. ...	831,458	921,840	829,550	894,842
Animals, No. .. ...	272,340	272,340	Free.	Free.
Eggs, No. ... ..	99,732,800	117,419,800	100,006,200	117,395,000
Cocoa, lb. ... ..	7,376,053	7,343,458	4,471,553	3,762,594
Coffee, British, lb. ... ..	46,895,791	41,960,010	29,495,425	28,701,767
Ditto, foreign, lb. ... ..	17,165,688	14,674,305	6,380,691	6,437,964
Total coffee ... ..	64,061,479	56,634,315	35,876,116	35,139,731
Sugar—				
West India, cwt. ... ..	2,927,672	2,817,693	2,899,157	3,163,386
Mauritius, cwt. ... ..	1,363,131	1,638,243	1,328,839	1,441,317
East India, cwt. ... ..	782,095	1,230,439	767,559	885,991
Foreign, cwt. ... ..	2,301,235	2,075,239	2,401,142	1,749,982
Total sugar ... ..	7,324,133	7,761,614	7,396,697	7,240,626
Tea, lb....	83,859,657	86,159,517	63,453,950	63,295,727
Rice, cwt. ... ..	2,288,158	3,689,969	978,904	1,439,726
Spirits, gallons ... ..	10,877,286	9,905,895	4,775,666	4,966,078
Wines, gallons ... ..	8,946,766	9,474,694	6,669,794	7,365,500
Opium, lb. ... ..	112,865	81,552	56,069	42,442
Tobacco, lb. ... ..	39,472,390	46,643,234	30,493,587	32,578,987
Currants, figs and raisins, cwt...	509,738	663,001	440,278	530,231
Lemons and oranges, bushels ...	806,152	700,677	797,140	719,027
Spices, lb. ... ..	9,314,080	15,009,053	4,239,169	4,403,458
Ditto, cwt. ... ..	86,061	14,683	3,535	4,011

The following are the comparative imports and exports of raw material, showing a large augmentation in every case :—

Year ending Dec. 31st, 1855, and Dec. 31st, 1856.	Imported.		Exported.	
	1855.	1856.	1855.	1856.
Flax, cwt. ... ..	1,293,435	1,687,041	—	—
Hemp, cwt ... ..	1,299,474	1,529,826	—	—
Raw silk, lb. ... ..	6,618,862	7,383,672	2,085,555	1,438,598
Cotton, cwt....	7,962,071	9,141,844	1,110,430	1,309,474
Wool, lb. ... ..	97,853,739	113,236,899	29,412,462	26,597,809
Tallow, cwt. ... ..	952,322	1,124,843	—	—



Of silk manufactures the totals stand thus :—

Year ending Dec. 31st, 1855, and Dec. 31st, 1856.	Imported.		Home Consumption.	
	1855.	1856.	1855.	1856.
Silk manufactures of Europe, lb.	775,648	905,013	762,066	879,720
Ditto of India, pieces ... ..	480,675	597,752	73,948	108,193

Of most other articles of raw material or foreign manufacture the imports have also been large. In dyes and dyeing stuffs there has been an increase in every description, except cochineal and cutch. Metals show a general augmentation. The same has been the case with glass manufactures and leather manufacture. Guano, on the other hand, shows a decline from 305,061 tons to 191,501; and oils likewise present a decrease in all sorts, except train. As regards seeds there have been heavy arrivals of linseed and rape. Of timber the supplies, both of British and foreign, have been extremely great, and the consumption has been proportionably active.

#### BANK OF FRANCE.

The *Moniteur* publishes the report presented to the shareholders of the establishment at the late general meeting. The principal points of the document are :—

"After detailing the vacancies which had occurred during the year, either by death or termination of the period of office, the report states that the bank, in the course of last year, had to struggle against difficulties as serious as those of the preceding one, and in some respects even greater. Although peace had been restored, France at present laboured under the influence of unfavourable harvests, dearness of food, and a number of great works now undertaken both at home and in foreign countries, both of these causes leading to the absorption of specie. China, and particularly Hindostan, drew considerable sums, which had been last year increased by the demand for silk. These remittances to countries which only admit silver coins had contributed much to cause a scarcity of 5*f.* pieces. In order to protect the bank, recourse was had to restrictive measures. In February, 1856, bills at 90 days were admitted for discount, but in October none beyond 60 days were received, and in December the dates were extended to 75 days. In March, the interest was reduced from 6 per cent. to 5 per cent., and in September was again raised to 6 per cent. From the 1st July, 1855, to the end of December, 1856, the bank purchased gold ingots, for which it paid 814,300,000*f.*, in addition to a premium of 11,215,000*f.* The amount of business transacted during 1856 was 5,809,000,600*f.*, being an increase of 946,000,000*f.* over the preceding year. As compared with 1855, the discount operations had increased almost in the same proportion as the general business. In 1855, the amount of discounts in Paris and in the branch banks was 3,780,000,000*f.*, and in 1856, 4,674,000,000*f.*, being an increase of 912,000,000*f.* In the first half-year of 1855, the amount was



1,828,000,000*f.*, and in the corresponding period of 1856, 1,922,000,000*f.*, being 94,000,000*f.* in favour of the latter. The last half-years gave the following totals:—1855, 1,918,000,000*f.*, and 1856, 2,947,000,000*f.*, being an increase in 1856 of 579,000,000*f.* The amount of discounts in July and October was 494 millions and 493 millions. In the last ten days of the year the average amount was 11,800,000*f.* a day, and on the 30th December it amounted to the unprecedented sum of 31 millions. At the commencement of 1855, the advances on public securities, railway shares, &c., amounted to 100 millions. These operations were considerably increased in order to facilitate the loans of the treasury, and they soon increased to 198 millions. At the close of that year they had fallen to 93 millions. In 1856 they again increased in order to facilitate the payment of the instalments of the loans, and in June they had risen to 190 millions; but the bank was compelled to reduce them, and at the end of December the amount was only 62 millions. In the course of 1856 there was advanced on rente, canal shares, and city bonds, the sum of 526 millions, and on railway shares, and other securities, 356 millions, making a total of 882 millions. On the 1st July, 1856, the fourth reimbursement of five millions was made by the treasury to the bank out of the 75 millions which was due to it in virtue of the treaty of March 3rd, 1852. The debt was thus reduced to 55 millions, independently of which the treasury owed the bank the amount of a bond for 40 millions, which had been renewed every three months during 1856. On the 5th June, 1856, the metallic reserve of the bank and its branches amounted to 294 millions, being the highest amount during the year. On the 16th October, it had fallen to the minimum amount of 159 millions. On the 25th December, when the yearly accounts were closed, it had again risen to 240 millions. The circulation of notes issued by the bank and its branches frequently varied considerably, and without any lengthened period intervening. On the 19th June, it amounted to 600 millions; on the 31st July, it was 667 millions; on the 16th October, 619 millions; and on the 25th December, 585 millions. The general movements in cash and notes in the Central Bank were—in 1854, 25 milliards; in 1855, 30 milliards; and in 1856, it exceeded 35½ milliards. In 1855, the number of bills paid in cash was 813,000, amounting together to the sum of 1,074,000,000*f.*; and in 1856, 814,000, amounting to 1,121,000,000*f.* In 1855, the maximum of the accounts current with the commercial community was, on the 6th of March, 167,990,000*f.*; and the minimum, on the 14th of December, 92,279,000*f.* In 1856, the maximum was, on the 5th of July, 189,768,000*f.*; and the minimum, on the 16th of September, 93,115,000*f.* The amount of bills payable to order, drawn by the Central Bank on its branch establishments, and vice versa, amounted in 1855 to 376 millions; and 1856, to 513 millions. The largest amount of bills received in Paris at the end of a month in 1855 was 65,400,000*f.*, from 54,692 bills, in 22,632 different houses of business; but on the 31st October, 1856, the amount collected was 74,531,000*f.*, on 61,017 bills, at 24,122 houses. That increase of collecting business necessitated an augmentation in the number of clerks, and in the offices required for their accommodation. No bankruptcy of any consequence took place in Paris during 1856; and the bank, on the contrary, was enabled to recover 100,305*f.* on bills which had been standing over from 1848. Considerable extension was given during 1856 to the service of the deposit office for securities. The number of the clerks was increased, and the charge for deposit doubled. The securities so left amounted in number to 1,100,000, representing a value of more than a milliard. In the first half-year



the profits were 18,705,608f. 72c., and the expenses 6,197,120f. 35c.; so that there remained a balance of 12,508,488f. 17c. Of that balance, 12,501,250f. were employed in paying a dividend of 137f. per share to 91,250 shares, and the remainder was carried to the account of profit and loss. In the second half-year, the profits were 18,373,617f. 68c., and the expenses 6,021,043f. 56c.; so that there was a balance of 12,352,574f. 12 c. Of that sum, 12,318,167f. were employed in the payment of a dividend of 135f. per share, and the remainder was carried to the account of profit and loss. In the profits of the first half-year, those of the branch banks, thirty-six in number, figure for 5,736,505f. 91c. The largest items in that total are, the branches of Valenciennes, 692,944f. 16c., Lille, 588,590f. 8c., St. Quentin, 578,399f. 49c., and Marseilles, 575,810f. 83c. The lowest are, Chateauroux, 8,142f. 82c., Nevers, 16,323f. 74c., Toulon, 21,410f. 3c., and Toulouse, 43,659f. 43c. The operations of the branches of Avignon, Dunkirk, Grenoble, and Nimes resulted in a loss of 148,757f. 1c. In the second half-year, the profits of the branches increased to 38 in number, figure for 5,484,112f. 21c. The highest were, Marseilles, 589,032f. 91c., St. Quentin, 522,616f. 82c., Lyons, 515,048f. 9c., and Valenciennes, 462,736f. 57c. The lowest were, Chateauroux, 13,483f. 73c., Nevers, 20,017f. 47c., Avignon, 21,935f. 11c., and Toulon, 27,016f. 86c. The branches whose operations ended in loss were those of Arras, Dijon, Dunkirk, and Grenoble; and the total loss was 204,961f. 40c."

A report from the censors, made by M. Darblay, follows the accounts :—

"It states that all the affairs of the bank have been conducted, and all the accounts kept, with the greatest order and regularity. The expenses, it says, have been maintained within the limits of what is necessary. As to the discounts, it declares that they have been made with all prudence, and that the bills of petty traders have been discounted with as much favour as other bills. The deposit office had, on the 31st December last, 1,069,105 securities of different kinds, belonging to 10,194 depositors, being 400,000 more than at the corresponding date of 1855. Of the amount of notes issued in the course of the year (247,500,000f.), 40,000,900f. were in 100f. notes, which was 10,000,000f. more than that class of notes issued in 1855. The amount of notes annulled in 1856 was 214,171,100f., and not less than 156,066,000f. of that sum were in notes of 1,000f.; in 1855, the amount of 1,000f. notes annulled was only 64,944,000f. The report reprehends the increase of the dangerous habits of remitting half notes in letters through the post office—a plan, it says, which opens the door to daily frauds and embezzlements. After stating the profits realised, and the dividends distributed, the report concludes by declaring that the reproach which was often urged against the bank of displaying too much prudence was not justified, inasmuch as that prudence in financial crises saved the public credit, and was advantageous not only to the shareholders of the Bank, but to the country at large."







## Banking and Commercial Law.

### ON THE RECOVERY OF DEBTS IN THE COLONIES.

HAVING in the last preceding paper stated the law on this subject, we now give a series of practical forms, consisting of—1st, a power of attorney; 2nd, the declaration of one of the attesting witnesses; 3rd, the Mayor's certificate; and, 4th, the declaration to prove the debt, on production of which, in the proper colonial court, the debt will be recovered, unless the party sued shall produce evidence sufficient to negative the claim.

#### No. 1.—POWER OF ATTORNEY.

Know all men to whom these presents shall come, that I, A. B., of do hereby appoint C. D., of my attorney for me, and in my name and on my behalf to demand, and by all legal and effectual means to recover and receive from all and every or any persons or person inhabiting, residing, or being in New South Wales, or in any other British colony or dependency in Australasia, all and every sum and sums of money, goods, chattels, effects, and things whatsoever which shall or may hereafter appear to be due, owing, payable, or belong to me, whether upon any bond, note, bill or bills of exchange, balance of account, current consignment, contract, agreement, decree, sentence, judgment, or execution, or upon any other account: Also to examine, state, settle, liquidate, and adjust all or any accounts or account depending between me and any person or persons whomsoever: And upon the recovery or receipt of, all and every or any sums or sum of money, goods, chattels, effects or things due, owing, payable, or belonging to me, for me, and in my name, and as my act and deed, to execute and deliver such good and sufficient receipts, releases, and acquittances, or other good and effectual discharges as may be needful or requisite, and if the same shall be received or obtained from the estate, moneys, or property of any deceased person, or any other estate, moneys, or property, subject to demands unascertained or disputed claims, then such bonds of indemnity, or other securities as shall be required and may appear to my said attorney reasonable, for repayment or restoration of such estates, moneys, or property, or a sufficient part thereof, or of the value thereof; in the event of any paramount or superior claim thereon, being afterwards established: Also, if need be, and in case of neglect, refusal, or delay on the part of any person or persons, to make and render just, true, and full account, delivery, and satisfaction in the premises, him, them, or any of them, thereunto to compel, and for that purpose for me, and in my name, to make such claims and demands, arrests, seizures, levies, attachments, distrainments, and sequestrations, or commence, sue, and prosecute to judgment and execution, such actions, and suits at law or in equity, as my said attorney shall see occasion for or think fit: Also, to appear before all or any judges, magistrates, or other officers in any court or courts of law or equity, and then and there to sue, plead, answer, defend and reply in all matters and causes, touching or concerning the premises: And also in case of any difference or dispute with any person or persons concerning all or any of the matters aforesaid, to submit all or any such differences and disputes to arbitration, in such manner as my said attorney



shall see fit, and to compound, compromise, and accept part in lieu of, and in full satisfaction for, the payment of the whole of any debt or sum of money owing or payable to me, or grant an extension of time for the payment of the same, either with or without taking security, or otherwise to act therein and in respect thereof; in such manner as to my said attorney shall appear to be most expedient and proper: And generally in and about the premises to do, perform, execute, and accomplish every such act, deed, any thing which may be requisite either at law or in equity, for all or any of the purposes aforesaid, as fully and effectually as I myself could do if personally present. And I hereby grant full power to my said attorney to substitute and appoint one or more attorneys or attorney under him with the same or more limited powers, and such substitute and substitutes at pleasure to remove and others to appoint. And I hereby agree and covenant, for myself, my heirs, executors and administrators, to ratify, allow, and confirm whatsoever my said attorney, or his substitute or substitutes, shall do or cause to be done in and about the premises, by virtue of these presents, including in such confirmation whatsoever shall be done between the time of my decease, or of the revocation of these presents, and the time of such decease or revocation becoming known to my said attorney, or his substitute or substitutes; and in case of the decease of the said C. D., or of his absence (whether permanent or temporary) from the place where the matters or things aforesaid or any of them shall be or ought to be transacted, or of his inability or unwillingness, through illness or otherwise, to act in such matters or things, or any of them, then I hereby appoint E. F., of &c., to act as my attorney in the stead of the said C. D., either from time to time during such absence, or so long and so far as such inability or unwillingness shall continue or extend, or in case of the decease of the said C. D., then until these presents shall be revoked or otherwise determined in like manner as if the name of the said E. F. were thenceforth inserted in these presents instead of the name of the said C. D.

In witness, &c.

Signed, sealed, and delivered by the above-named

A. B., in the presence of

L. M.

N. O.

A declaration verifying the execution of this power to be made before a mayor or notary, as in the next form.

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**NO. 2.—DECLARATION VERIFYING THE EXECUTION OF THE PRECEDING POWERS.**

I, L. M., of &c. (one of the attesting witnesses), do solemnly and sincerely declare that I, and also N. O., of &c. (the other witness), were present together on the                      day of                      and did see of &c., the constituent named in the power of attorney hereunto annexed, bearing date the                      day of                      and marked with the letter A, duly sign, seal, and, as his act and deed, deliver the said power of attorney, and that the name or signature A. B., set and subscribed to the said power of attorney, as the name of the party executing the same is of the proper handwriting of the said A. B., and that the name or signature, L. M., set and subscribed to the said power of attorney as the name of one of the witnesses attesting the execution thereof by the said A. B., is of the proper handwriting of me, the declarant, and that the name or signature,



N. O., set and subscribed to the same power as the name of the other witness attesting the execution thereof by the said A. B., is of the proper handwriting of the said N. O. And I make this declaration conscientiously, believing the same to be true, and by virtue of the provisions of an act made and passed in the Sixth year of the reign of His late Majesty King William the Fourth, intituled "An Act to Repeal an Act of the present session of Parliament, intituled an Act for the more effectual Abolition of Oaths and Affirmations taken and made in various departments of the State, and to substitute Declarations in lieu thereof, and for the more entire suppression of voluntary and extra-judicial Oaths and Affidavits, and to make other provisions for the Abolition of Unnecessary Oaths."

Declared at the city of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_  
before me,

R. S., mayor of \_\_\_\_\_

### No. 3.—MAYOR'S CERTIFICATE.

To all to whom these presents shall come, I \_\_\_\_\_  
in the county of \_\_\_\_\_ in pursuance of an act of Parliament made and passed in the fifty-fourth year of the reign of His late Majesty King George the Third, intituled, "An Act for the more easy Recovery of Debts in His Majesty's colonies of New South Wales," and of another act of Parliament made and passed in the sixth year of the reign of His late Majesty King William the Fourth, intituled, "An Act to repeal an Act of the present session of Parliament, intituled, 'An Act for the more effectual Abolition of Oaths and Affirmations taken and made in various departments of the state, and to substitute declarations in lieu thereof,' and for the more entire suppression of voluntary and extra-judicial Oaths and Affidavits, and to make other provisions for the Abolition of unnecessary Oaths," do hereby certify, that on the day of the date hereof \_\_\_\_\_ personally came and appeared before \_\_\_\_\_ the person named in the declaration hereunto annexed, being a person well known and of good credit, and, by declaration which the said \_\_\_\_\_ then made before me, did solemnly and sincerely declare and testify to be true the several matters and things mentioned and contained in the said annexed declaration.

In faith and testimony whereof, I, the said Mayor, have caused the seal of office of mayoralty of the said city to be hereunto put and affixed, and the deed poll or letter of attorney mentioned in the said declaration to be hereunto annexed.

Dated this \_\_\_\_\_ day of \_\_\_\_\_

### No. 4.—DECLARATION IN PROOF OF DEBT.

I, A. B. of \_\_\_\_\_ Merchant, do solemnly and sincerely declare that the several goods and articles mentioned in the bill or account hereunto annexed, signed by (the plaintiff) were to the knowledge of this deponent, supplied and furnished by (the plaintiff) to (the defendant) now of \_\_\_\_\_ in the colony of \_\_\_\_\_ and at the request of (the defendant); and I verily believe that the sum of £ \_\_\_\_\_ the amount of the said bill or account, is now justly due and owing from (the defendant) to (the plaintiff), and I make this declaration, &c. (as in No. 2).

This declaration must be certified according to the form No. 3.



## Legal Miscellany.

*Court of Bankruptcy, Basinghall-street, Jan. 30.—(Before Mr. Commissioner FANE.)*

IN RE W. SMITH.—THE HEMEL-HEMPSTEAD AND WATFORD BANK.

THIS was an adjourned examination meeting in the case of William Smith, banker, Watford, trading under the firm of Smith and Whittingstall, and formerly in partnership with Edward Fearnley Whittingstall, deceased.

Mr. Linklater appeared for the assignees, Mr. Lawrance for the executors of Mr. Whittingstall, and Mr. Murray for the bankrupt.

Subjoined is an extract of the supplemental account or statement of affairs at Mr. Whittingstall's death, the 13th of March, 1856, and the liquidation of the estate:—

Dr.—To creditors, £69,979 6s. 1d.; creditors, holders of notes in circulation, £26,225; T. E. Dyson, cash lent in December, 1855, for which he holds the joint and separate bonds of William Smith and E. F. Whittingstall, £8,000; total, £84,204 4s. 1d. Outstanding at the date of petition, £15,779 16s.; paid by Mr. Smith in liquidation, £68,424 8s. 1d.

The credit side of the account shows:—

Cash balance, £2,870 1s. 6d.; debtors on bills of exchange, £18,157 12s. 10d.; on overdrawn balances, £29,028 17s.; bank estate, £1,878 8s. 4d.; on Watford estate, £2,021 5s. 6d.; by investment account, £4,816 16s. 3d.; total, £58,683 1s. 6d. (realised, £28,165 8s. 3d.). By partnership account—W. Smith, debit balance, £20,572 12s. 5d.; E. F. Whittingstall, £4,948 10s. 2d.; grand total, £94,204 4s. 1d.

Under separate columns are the following items:—

Given up to assignees, estimated to realise £15,799 18s.; received and applied by Mr. Smith in liquidation property held by creditors, £7,736 16s. 4d.; by balance, being estimated difference between claims and assets existing at date of petition under the estate of Smith and Whittingstall, £8,374 0s. 2d.; by balance, being payments by Mr. Smith in liquidation and excess of accounts, £32,202 5s. 6d.

Mr. Linklater said that on the 13th of March, 1856, Whittingstall died; and on the last occasion, as solicitor to this estate, he asked for an adjournment, in order that Smith might furnish an account of his dealings between himself and Whittingstall up to the time of the death of the latter, and also the dealings of the bank since that event. He (Mr. Linklater) had to congratulate himself that he had done so, as it would now appear that the executors were clearly debtors, and not creditors, to the estate.

Mr. Lawrance thought it would be better to have a private meeting out of court, and discuss these matters. For his own part, he had not yet seen a figure of the supplemental accounts; and he was desirous of looking into the law of the case, and discussing it with his friend, with the view of ascertaining whether the executors of Whittingstall are debtors or creditors, or not.

The Commissioner said he could not see any possible objection to the niceties of the case being discussed in private, before they were argued in public.

Mr. Linklater said he was misunderstood. He was now applying himself to the object of the day's sitting—namely, the passing of the examination of the bankrupt. All he was desirous of doing was to draw the attention of the Court to the balance-sheet which had been rendered since the last



meeting upon his requisition. He understood that his friend withdrew his claim to enable the bankrupt to furnish further accounts. It appeared by the liquidation account now furnished, that, at the death of Whittingstall, Smith and Whittingstall owed £84,000, and that the assets were only £58,683, so that at that time the bank was insolvent to the extent of £26,000. It also appeared that the directors gave directions to the manager, from March, when Whittingstall died, down to August, when Smith became bankrupt. During this period, they permitted notes to go out bearing the names of Whittingstall and Smith, and there were now above £8,000 of those notes in circulation. Negotiations for disposing of the business by the executors failed, and since the death of Whittingstall, at which time the liabilities of the bank were £68,424, Smith had paid £35,704, so that Smith had paid more than the firm of Smith and Whittingstall by £32,000. It was this sum that was in dispute; and he thought it was very hard upon the depositors, who had invested their money upon the faith that Whittingstall's estate was liable, that the executors should deny their liability, and that they (the depositors) should only receive about half-a-crown in the pound. He believed that many of the customers of the bank would not have deposited a single shilling in it, if they had entertained the slightest doubt that Whittingstall's estate was liable. He had thought it better that the figures should be placed in the balance-sheet, with the view, if possible, of avoiding litigation and expensive Chancery suits. The assignees did not object to Mr. Smith passing his examination, with the exception that he practised as a solicitor in partnership with a Mr. Grover, and he alleged there was a balance of from £4,000 to £5,000 due to him from the firm; and they wished a detailed account of the partnership before the certificate meeting.

Mr. Murray thought Mr. Linklater was really pressing too hard upon Mr. Smith. All the bills of costs were entered in the books, and an estimate of them carried into the balance-sheet.

The Bankrupt said the assignees had sold all his books and papers, and what they termed the goodwill of his business, to Mr. Grover, and he had no right to touch a single paper in Mr. Grover's office.

The Commissioner said the bankrupt was bound to furnish his assignees with any information they required.

The Bankrupt replied that he could not devote the whole of his time to the assignees, and he was afflicted six hours per day and three hours every night with asthma.

His Honour said he must pledge himself to render reasonable assistance; which having been done, he passed his examination, and received renewed protection until the certificate meeting, which was fixed for the 28th of March next, at 11 o'clock.

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*Court of Common Pleas. Feb. 16.*

**CROSSED CHEQUES.—SIMMONDS V. TAYLOR.**

THIS was an action against the public officer of the London Joint-Stock Bank, to recover a sum of money, and the plea was payment. Mr. Sergeant Byles and Mr. Addison appeared for the plaintiff; and Mr. Bovill, Q.C., and another learned gentleman, were for the defendant. In consequence of the form of the pleadings, the defendant's case was first laid before the jury.

Mr. Bovill said he appeared for the London Joint-Stock Bank, and the question involved was one of very considerable importance to the banking



world, and also to the public at large. In form the action was to recover £126, but, in reality, the question raised was as to the effect of a crossed cheque, assuming that his learned friend should prove that the cheque had in fact been crossed. The plaintiff kept an account at the London Joint-Stock Bank, and on the 28th August, 1856, he drew a cheque for £126 on the bank. That cheque was presented and was paid across the counter. The plaintiff questioned the propriety of that payment, saying that the cheque was crossed, and therefore should have been paid only through a banker. The cheque was in the same state now as it was when paid, and the jury would see that it was simply an ordinary cheque without anything at all upon the face of it.

The Chief Judge examined the cheque, and said he did not see any crossing upon it.

Mr. Bovill—The only question would be, whether the cheque bore on the face of it a crossing, and the words "and Co." In consequence of the discussion which took place in the courts some time ago as to crossed cheques, an act was passed which stated that in every case where a cheque bore across the face of it the name of a banker, or the words "and Co.," it should have the force of a direction to the banker that it was to be paid only through a banker.

The Chief Justice—You have seen this cheque, brother Byles, is there any crossing upon it?

Mr. Sergeant Byles—Oh, yes. If the gentlemen of the jury would hold the cheque up to the light they would see two lines of erasure, and also an erasure where the words "and Co." had been.

The Chief Justice—You say it has been scratched out?

Mr. Sergeant Byles—Yes, and that that made it a forged cheque, in fact.

Mr. Bovill—His friend suggested that somebody had stolen the cheque, and the words "and Co." had been erased. It was said that, notwithstanding that, the bank was liable, though when the cheque was presented there was no crossing upon the face of it. The crossing might have been in pencil, and then, if it had been rubbed out, his friend would still say that the bank was liable. The only safe guide was to say that the crossing must appear upon the face of the cheque when presented, though if it were plain that there had been an erasure there, if the bank paid the cheque they would be liable upon the ground of negligence. He asked the jury whether any one of them would not have paid that cheque.

The Chief Justice—A question might arise whether the plaintiff, by his own carelessness in the manner of drawing the cheque, had contributed to his own loss.

The cheque was then put in, and it was admitted that it had been paid over the counter, and was then in the state which it now was.

Mr. Serjeant Byles addressed the jury for the plaintiff. He said that his client, having drawn the cheque, sent it by post to Mr. Masters, 22, Duke-street, Manchester-square. The cheque was drawn in the ordinary course of business, and was crossed. With respect to the crossing there would be no question whatever. Unfortunately, the paper which the bank provided their customers with was not made with reference to the ordinary precautions which ought to distinguish cheque paper. Bank notes were printed upon paper so thin that an erasure was almost impossible. Many bankers had their cheques printed upon paper which was coloured upon some parts, for instance—where the amount was written—and the consequence was, that if a cheque of this kind were written across, it would be almost impossible to remove that writing by erasure or by chemical means,



without it being at once apparent. This bank, however, furnished their customers with thick paper, and it was also a stone-coloured paper, and contained no other colour upon it. This cheque was put into a letter, directed to 22, Duke-street, Manchester-square, and some time after the envelope of the letter was put under the door of 22, Duke-street, and there was written on it this grateful acknowledgment, "The finder is much obliged;" and as gratitude should be expressed more by actions than by words, the finder had obliterated the crossing upon the cheque and had got the money for it. The plaintiff's case was, that the erasure of the crossing made the cheque a forgery, and the bankers, of course, must take the risk of forged cheques. He submitted that the words of the statute, "bears across its face," referred to the time when it was issued, and that if the cheque were subsequently altered, the loss must fall on the bankers. He did not acquit the bankers of negligence in this matter, for he thought it was the duty of the bankers to look carefully to see whether there had been a crossing which had been erased. If this cheque had been held up to the light, it could clearly have been seen that there had been an erasure.

The Chief Justice—You say that the bankers are bound to hold up every cheque to the light. Just consider what that would involve in a large banking-house, where thousands are presented daily.

Mr. Sergeant Byles—Such an examination of a cheque would take a fraction of a second, and not more than half an hour a day to examine all the cheques.

Mr. B. Fleming—I am clerk to the plaintiff. I drew this cheque and delivered it to the plaintiff. I crossed it with two lines, and wrote on it "and Co."

Mr. Simmonds—I am the plaintiff. This cheque was delivered to me crossed with two lines, and the words "and Co." It was quite legibly crossed.

Mr. Lyne—I am the plaintiff's solicitor. On the 28th August last I received this cheque from him. It was crossed very legibly. I received instructions to send the cheque to Mr. Masters, and I wrote a letter enclosing the cheque to Mr. Masters. I afterwards wrote for an acknowledgment of the receipt of the cheque. Mr. Masters' clerk waited on me and said it had not been received.

The Chief Justice said that this case involved a question of law of very great importance, whether when a customer of a bank had crossed a cheque in the manner described in the Act of Parliament, and some person fraudulently erased such crossing, and the banker paid the cheque as though it had not been crossed, whether, under such circumstances, the banker would be liable. That would depend upon whether the terms in the Act of Parliament, "bearing upon its face," referred to the time when it left the hands of the drawer, or to the time when it was presented. That was a question of very considerable importance, and he thought it better to express no opinion upon it at *nisi prius*, though, in fact, he had a pretty strong opinion upon the matter. He should, however, ask the jury to state whether they thought that there had been negligence on the part of the plaintiff or on the part of the bank.

The jury thought that there was no negligence on either side, and it was thereupon arranged that a verdict should be entered for the defendant, subject to the opinion of the Court.



## Reports of Joint-Stock Banks.

### BANK OF NEW SOUTH WALES.

THE following report of the board of directors of the Bank of New South Wales was presented to the half-yearly general meeting of proprietors, held at the banking-house on Wednesday, the 29th of October, 1856:—

The directors have the pleasure to submit to the proprietors the annexed statement of the affairs of the bank for the half-year ended 30th ult.:—

The undivided balance of 31st March last was	...	...	£2,002	2	6
To which are to be added the net profits, after deducting rebate on current bills, paying all expenses of management, providing for every bad and doubtful debt, and making allowance on reduction of bank premises and fittings	...	...	64,683	2	10
Leaving for distribution	...	...	£66,685	5	4

Which the directors recommend to be applied—

To payment of dividend, at the rate of 20 per cent. per annum	£50,000	0	0
Increase of reserve fund	13,622	1	5
Balance carried to profit and loss "New Account"	3,063	3	11
	£66,685	5	4

The reserve fund has been increased during the half-year by £1,377 18s. 7d., collected from debts previously written off as bad, which, with the sum now proposed to be added, amounts to £125,000.

Under the power given at the meeting of the 30th April last, the directors have established branches at Albany, Mudgee, Tamworth, and an agency on the gold fields at Rocky River; and they now recommend that the authority be continued during the present half-year.

Joseph S. Willis, Esq., retires by rotation from the direction; George Thorne, Esq., is a candidate for the office, and has given the requisite notice.

It also devolves on the present meeting to elect an auditor in the room of Francis Mitchell, Esq., who retires in terms of the deed of settlement.

The dividend will be payable at the head office on and after the 30th instant; and at the branches immediately on receipt of advice.

On behalf of the board of directors,

(Signed) DANIEL COOPER, *President*.

*Aggregate Balance-sheet of the Bank of New South Wales, 30th Sept., 1856.*

(Including London Branch to 30th June, 1856.)

<i>Dr.</i>					
To bank stock	...	...	...	£500,000	0 0
Notes in circulation	...	...	...	666,909	0 0
Deposits and other liabilities	...	...	...	2,385,203	11 8
Old bank circulation	...	...	...	3,445	0 0
London branch	...	...	...	1,269,473	6 1
Reserve fund	...	...	...	111,877	18 7
Profit and loss	...	...	...	83,977	7 0
				£5,020,366	3 4



<i>Cr.</i>							
By coin	...	...	...	...	...	...	£867,663 18 0
Bullion	...	...	...	...	...	...	78,592 17 10
Government securities	...	...	...	...	...	...	54,700 0 0
Notes of other banks	...	...	...	...	...	...	16,309 0 0
Bank premises	...	...	...	...	...	...	44,569 6 9
Bills discounted, and other debts due to the bank	...	...	...	...	...	...	2,246,735 2 2
London branch	...	...	...	...	...	...	1,709,959 9 10
Insurance account	...	...	...	...	...	...	608 8 9
Suspense notes account	...	...	...	...	...	...	1,250 0 0
							<hr/>
							£5,020,386 3 4
							<hr/>

*Profit and Loss.*

<i>Dr.</i>							
To rebate on bills discounted, and not due at this date (Sept. 30)	...	...	...	...	...	...	£17,292 1 6
Dividend for half-year, at the rate of 20 per cent. per annum	...	...	...	...	...	...	50,000 0 0
Reserve fund	...	...	...	...	...	...	13,622 1 5
Balance carried forward to profit and loss new account	...	...	...	...	...	...	3,063 3 11
							<hr/>
							£83,977 7 0
							<hr/>

<i>Cr.</i>							
By Amount from last account (April 1)	...	...	...	...	...	...	£2,002 2 6
Profit of half-year ending Sept. 30	...	...	...	...	...	...	81,975 4 6
							<hr/>
							£83,977 7 0
							<hr/>
							£83,977 7 0
							<hr/>

*Reserve Fund.*

<i>Dr.</i>							
To Balance	...	...	...	...	...	...	£125,000 0 0
							<hr/>
							£125,000 0 0
<i>Cr.</i>							
By Balance, 31st March, 1856	...	...	...	...	...	...	£110,000 0 0
Sundry recoveries from bad debts	...	...	...	...	...	...	1,377 18 7
Amount from profit and loss	...	...	...	...	...	...	13,622 1 5
							<hr/>
							£125,000 0 0
							<hr/>

Audited Oct. 27, 1858.

(Signed)

 FRANÇOIS MITCHELL, }  
 J. MILSON, Jun., } Auditors.

The adoption of the report was then put to the meeting, and carried unanimously. The meeting then resolved that the sum of £1,200 should be placed at the disposal of the directors, as an acknowledgment of their zealous and successful endeavours for the prosperity of the bank; and that a further sum of £200 be placed at the disposal of the auditors as an acknowledgment of their services.

Mr. George Thorne was elected a director in the room of Mr. Joseph S. Willis, who retired by rotation.



Mr. Richard Jones was elected an auditor, in the room of Mr. Francis Mitchell, who retired in terms of the deed of settlement.

A vote of thanks was voted to the chairman and directors, and the meeting separated.

### SHEFFIELD BANKING COMPANY.

THE annual meeting of this bank, was held on the 30th January, Mr. S. Bailey, chairman, when the following report was adopted:—

In the discharge of their annual duty, the directors of the company have the pleasure of commencing their report with the announcement that the past year, like most of its predecessors, has been a period of great prosperity to the bank. The business transacted in 1856 has considerably exceeded in amount that in 1855, and has not been less safe or less lucrative than the latter, in proportion to the returns. Accordingly, the profit and loss account exhibits a net gain surpassing the result of any preceding year, namely, £28,858 8s. 5d. This ample sum the directors have appropriated to the following purposes:—

Dividend of £14 per share on 1,479 shares	...	£20,708	0	0
Income-tax	...	1,106	9	11
Surplus fund	...	7,045	18	6
		<u>£28,858</u>	<u>8</u>	<u>5</u>

The dividend now declared is nearly 12½ per cent. on the aggregate amount of the paid-up and the accumulated capital, as the latter stood before the addition just mentioned, and 17½ per cent. on the former alone. Regarding the time and mode of payment, the directors in the exercise of the discretion given to them by the special meeting in November, have to announce that warrants, payable on the 6th proximo, will be issued in a few days to the shareholders for the portions of this dividend respectively due to them. The issue of these warrants will supersede the ten days' notice formerly required. The bad debts during the past year amount to £390 18s. 2d., from which must be deducted £55 13s. 1d. for dividends received on debts formerly written off, leaving £335 5s. 1d. net less to be charged to the surplus fund. This small loss on so large and multifarious a business, is nearly counterbalanced by a sum placed to the credit of the same fund, for premiums on £200 shares allotted in the course of the year out of the small number remaining on hand. After the several sums named have been respectively placed to the debit and credit sides of the account, the surplus fund will be raised to £54,997 18s. 6d. as shown by the following statement:—

Amount as per last report	...	£47,987	5	1
Premium on shares allotted in 1856	...	300	0	0
Addition from the profits of the past year	...	7,045	18	6
		<u>£55,333</u>	<u>3</u>	<u>7</u>
Less balance of bad debt account	...	335	5	1
		<u>£54,997</u>	<u>18</u>	<u>6</u>

The capital account was increased, as you are aware, during the past year by a call of £5 per share on the £200 shares, making £80 called up.



The directors called for this instalment because they found that they could very profitably employ it; and being of opinion that, as the business is extended, the capital should be enlarged. The amount of paid-up capital thus underwent some alteration; first, from the allotment of five £200 shares, and secondly, from the additional call. At the end of 1856, it stood as follows:—

Paid-up capital at the end of 1855	...	...	£110,550	0	0
Shares allotted in 1856	...	...	375	0	0
Call of £5 per share on 1,470 shares	...	...	7,395	0	0
			<hr/>		
			118,320	0	0
If to this is added the surplus fund	...	...	54,997	18	6
			<hr/>		
It gives the sum of	...	...	£173,317	18	6

As the working capital of the company, on the first of the present month, applicable to the business of the new year.

This subject is also connected with another important proceeding, to which it is necessary to advert. In conformity with a resolution passed at the last annual meeting, the directors, as you already know, revised the deed of settlement, and recommended certain alterations to be made in it, which were sanctioned at a special general meeting of the shareholders. Pursuant to the resolutions of that meeting, a number of £50 shares, corresponding to the number of the original £200 shares, were created and allotted by the directors, who at the same time gave notice of a deposit of £5 per share to be paid upon them. In conformity also with the same resolutions, a deed of settlement was directed to be prepared by the solicitors of the bank, and presented to the shareholders for their signature, at the first convenient opportunity. These measures were in progress at the termination of the past year, and will enter into the report which will in due course be submitted to the next annual meeting, long before which time they will, doubtless, be completely carried out. The directors will only remark, in reference to them, that the deposit, when fully paid up, will increase the working capital to upwards of £180,000, and that the extended operations of the bank may render it expedient to make a further call or further calls on the new £50 shares, in the course of the current year. The directors have again the satisfaction of including the Rotherham Branch in their statement of the general prosperity of the bank during the last twelve months. They have recently had occasion to make considerable alterations in the building there, by which it has been much improved as a banking-house, and they have pleasure to add that the expenses incurred have been paid out of the profits of the year. The alterations in the banking-house in which the present meeting is assembled do not belong to the period now under review; but it may be satisfactory to the shareholders to know that the additional accommodation thereby afforded is not likely to be more than the increasing business of the bank, at no distant time, will require.

*General Balance-sheet of the Sheffield Banking Company,  
December 31st, 1856.*

ASSETS.					
Bills, notes, and cash in hand, and balances owing to the company	...	...	...	...	£901,279 8 3
Stamps on hand	...	...	...	...	62 15 6
Bank premises and furniture, at Sheffield and Rotherham	...	...	...	...	5,158 17 0
					<hr/>
					£906,501 0 9



LIABILITIES.			
Paid up capital of £80 per share, on 1,479 shares	...	£118,320	0 0
Surplus fund	...	54,997	18 6
Balances of accounts due to customers, deposits, and notes	...		
circulation	...	712,477	2 8
Balance of profit and loss to be divided	...	20,706	0 0
		<u>£906,510</u>	<u>0 9</u>

The report having been adopted, the usual votes of thanks were passed to the directors, managers and officers.

### THE BILSTON DISTRICT BANKING COMPANY.

THE twentieth annual meeting of Proprietors of the bank, held at the Star and Garter Hotel, Wolverhampton, on the 3rd February, 1857, Mr. W. H. Sparrow in the chair, when the following report was proposed and agreed to :—

Your directors have to report that they have audited the accounts of the bank to the 31st day of December last; and, after making ample provision for every bad and doubtful debt, and allowing rebate of interest on all bills not then due, there remains a profit for the year of £3,854 9s. 11d. A dividend of 3½ per cent. for the half-year ending the 30th of June, 1856, has been already declared, and you are recommended now to declare a dividend of 4 per cent. for the half-year ending the 31st December, leaving the surplus to be carried to the guarantee fund. Statements of the profit and guarantee fund, with the surplus appropriated as proposed.

Dividend of 3½ per cent. to 30th June, 1856	...	1,063	2 6
Dividend of 4 per cent. to 31st December, 1856	...	1,215	0 0
Interest on guarantee fund	...	213	1 10
Surplus	...	1,363	5 7
Profit	...	<u>£3,854</u>	<u>9 11</u>
Guarantee fund at last report	...	7,102	10 8
Interest at 3 per cent.	...	£213	1 10
Surplus profit	...	1,363	5 7
		<u>1,576</u>	<u>7 5</u>
Present guarantee fund	...	<u>£8,678</u>	<u>18 1</u>

The report was received and approved, and a dividend of 4 per cent. declared payable on the 2nd of March next.

Votes of thanks were passed to the directors and the managers for their services.

### PARES'S LEICESTERSHIRE BANKING COMPANY.

THE twenty-first general annual meeting of proprietors of this bank was held at the Bell Hotel, Leicester, on the 4th February, 1857, Sir Frederick William Heygate, Bart., in the chair.



The following report was read and agreed to :—

"The year which has now closed has been remarkable in the history of the country, having happily witnessed the close of the Russian War and a large extension of the trade and commerce of the country. The directors are happy to be able to report, that while the trade of the district has received every prudent facility, the business of the bank continues upon a sound basis, and has yielded a very satisfactory return. The profits of the bank for the past year, after deducting expenses and losses, and making ample allowance for doubtful debts, amount to the sum of £24,494 3 0 And with the balance left 31st December, 1855 ... .. 3,456 17 9

Total	£27,951 0 9
-------	-------------

The proprietors have already received a dividend for the first half-year of eleven shillings per share, amounting to	£7,425 0 0
--	------------

And the directors recommend the payment of a like dividend of eleven shillings per share, and a bonus of four shillings per share, together amounting to ... ..	10,125 0 0
(Deducting the income tax).	

And they further recommend the placing to the reserved fund ... ..	8,401 0 0
--	-----------

Leaving a balance to be carried forward to the profits of the present year of ... ..	2,000 0 0
--	-----------

£27,951 0 9
-------------

The reserved fund amounted at the last report to the sum of ... ..	£40,207 7 7
--	-------------

To be now added ... ..	8,401 0 9
------------------------	-----------

Total	£48,608 8 4
-------	-------------

As the reserved fund will now amount to the sum of £48,608 8s. 4d., the directors feel they may safely propose that a bonus of £1 10s. per share (amounting to £20,250) be carried from the reserved fund to the capital, making £12 10s. paid up on each share (the full amount thereof), and increasing the capital on which dividend will be payable to £168,750, while the reserved fund will still amount to £28,358 8s. 4d. The proprietors will have observed in the notice calling this meeting that Mr. Isaac Hodgson, an original partner and shareholder in the bank, has intimated his wish, on account of impaired health, not to be re-elected a director of this company at the present meeting. While the directors unanimously regret this decision, they are happy to inform the proprietors that Mr. Hodgson will continue to render them every assistance and advice in his power. Mr. Thomas Wood, a large shareholder, has been proposed for election to the board of directors in the place of Mr. Hodgson, and no other gentleman being nominated, he and Sir Frederick William Haygate, Bart., whose term of office now expires, are alone eligible for election at this meeting."

The usual votes of thanks to the officers and cashier concluded the proceedings.



THE LONDON AND COUNTY BANKING COMPANY.

THE annual meeting of the proprietors of this bank was held at the London Tavern, on Thursday, February 5th. Mr. William Nicol, the chairman, presided. Mr. Nichols, the secretary, read the report and statement of accounts, which are as follows:—

This being the time prescribed by the deed of settlement for the annual meeting of the company, your directors proceed accordingly to lay before the proprietors a general statement of the affairs of the bank for the half-year ending the 31st of December last. It will be shown by the balance-sheet, signed by the auditors, and certified by Mr. Coleman, public accountant, that the gross profit of the bank for the last half-year, including balances amounting to £20,999 9s. 2d. brought forward from the last account, and after making provision for bad and doubtful debts, amounts to £119,257 3s. 4d., leaving, after deduction of all expenses, interest, and rebate, a net profit of £38,081 9s. 6d. From this sum your directors recommend that a dividend be now declared of 6 per cent. for the half-year, free of income tax, which, with 5 per cent. previously paid for the six months ending the 30th June last, will be 11 per cent. for the year 1856. Your directors likewise recommend that an addition of £500 be now made to the "Provident Fund" of the bank, for the year 1856, being the same in amount as the sum granted with this object for the previous year. Should these recommendations be adopted, there will remain a balance of £7,795 14s. 3d. to be carried to profit and loss new account. As suggested at the meeting of the proprietors in August last, your directors further recommend that the limitation placed on the reserve fund at the last annual meeting be removed.

*Balance-sheet of the London and County Banking Company, 31st Dec., 1856.*

<i>Dr.</i>				
To Capital paid up	...	...	...	£498,032 10 0
Reserved fund	...	...	...	100,000 0 0
Customers' balances, &c.	...	...	...	3,543,824 6 4
Profit and loss balance brought from last account	...	...	£10,819 16 7	
Ditto rebate, &c., ditto...	...	...	10,179 12 7	
Gross Profit for the half-year, after making provision for bad and doubtful debts	...	...	98,257 14 2	
				<u>119,257 3 4</u>
				<u>£4,261,113 19 8</u>
<i>Cr.</i>				
By Cash on hand at head office and branches	...	...	£526,765 1 9	
Cash placed at call and at short notice	...	...	546,059 16 0	
				<u>£1,072,824 17 9</u>
Investments, viz.—				
Government and guaranteed stocks	...	...	£237,666 15 6	
Other stocks and securities	...	...	173,700 2 8	
				<u>411,366 18 2</u>
Carried forward	...	...	£1,484,191 15 11	



*Reports of Joint-Stock Banks.*

	Brought forward	...	£1,484,191	15	11
Discounted bills, notes, and temporary advances to customers in town and country	...	...	£2,366,034	16	4
Advances to customers on special securities	...	...	288,864	7	0
			<hr/>		
			2,654,899	3	4
Freehold premises in Lombard-street and Nicholas-lane, freehold and leasehold property at the branches, with fixtures and fittings	...	...	50,514	14	10
Interest paid to customers	...	...	29,892	19	7
Salaries and all other expenses at head office and branches	...	...	41,615	6	0
			<hr/>		
			£4,261,113	19	8
			<hr/>		

*Profit and Loss Account.*

To Interest paid to customers	...	...	£29,892	19	7
Expenses, as above	...	...	41,615	6	0
Rebate on bills not due, &c., carried to profit and loss new account	...	...	9,667	8	3
Half-year's dividend, at 12 per cent per annum	...	...	29,785	15	3
Provident fund	...	...	500	0	0
Balance carried to profit and loss new account	...	...	7,795	14	3
			<hr/>		
			£119,257	3	4
			<hr/>		
By Balance brought forward from last account	...	...	10,819	16	7
Rebate, &c. ditto	...	...	10,179	12	7
Gross profit for the half-year, after making provision for bad and doubtful debts	...	...	98,257	14	2
			<hr/>		
			£119,257	3	4
			<hr/>		
By Profit and loss new account balance brought down...	...	...	£7,795	14	3
Ditto ditto rebate, &c., brought down	...	...	£9,667	8	3

The Chairman said, it was his duty to lay before the meeting the accounts contained in the report, which had been read. They would observe that the accounts were signed as usual by the auditors, and also by Mr. Coleman, the eminent professional accountant. Mr. Coleman, on that occasion, had communicated very freely his opinion and sentiments to the directors, but he had not thought it necessary to make a public statement as he did on the last occasion; indeed, the securities were so nearly the same as they were, that Mr. Coleman thought it sufficient merely to certify to the correctness of the accounts now submitted. Referring to the first clause in the report, some comments had been made upon the lateness of the time at which the bank called its shareholders together as compared with other joint-stock banks; but it must be recollected that this was a country bank, with between sixty and seventy branches, and from each of these they had to obtain returns up to December 31, and they require to be well examined and gone over before they could be passed. (Hear, hear.) After that the accounts had to be submitted to the auditors (and he believed that this was



the only joint-stock bank in London, at least of the old banks, which had auditors); and for the last two occasions they had been submitted to Mr. Coleman, the public accountant; so that if they looked at the work that had to be done, they would think with him, that five weeks were not at all too much to have them correctly and properly done. (Hear, hear.) The general manager had just reminded him that the first Thursday in February was the time prescribed by the deed of settlement, so that, independently of the absolute necessity, it was prescribed. He would, however, have been glad to have attended to the suggestions of one or two shareholders, that the report should be circulated before the meeting, so that they might have seen it before they met; but with all the efforts they could use, it was only yesterday that they were completed, and only that morning they were got from the printers, so they had lost no time in bringing it before them. The first item in the accounts showed the amount of "paid-up capital and the reserve fund." The paid-up capital was a few thousands more than last time, and by the 15th instant it would be completed to £500,000. The last call was due on the 15th of this month. This item he would refer to at a later time of the day. The next item consisted of customers' balances, £3,543,824, which they would observe showed a diminution since the last meeting, and if they had given attention to the state of public feeling in respect to joint-stock banks in the intervening period, and more particularly the unfortunate failure of the Royal British Bank, they would not, he thought, be surprised at the diminution. It was indeed less than he expected—(Hear, hear)—but it had to some extent affected the profits upon the half-year. In referring to those balances, they could not say that the current accounts of the bank were at all diminished; on the contrary, they were rather increased in number. The principal diminution had been in deposit accounts, which he would explain. When gentlemen have sums of money which they may not require for one, two, or three months, they place it probably in some joint-stock bank or other bank, where they are allowed interest, but smaller perhaps than the ordinary current rate of interest; but, of course, it is so much gain to them. The principal diminution of business was of that description. They could readily conceive that a cautious man, when he saw that a large failure had taken place, would feel great doubt and mistrust, and would be disposed at once to invest his money in some security, perhaps Consols or some other. He was glad to tell them, however, that since the date of the report, and particularly since the 13th December last, there had been an increase in the balance of the customers of the bank, amounting to very nearly a quarter of a million. (Hear, hear.) He thought, therefore, they might look forward hopefully to the future, as those balances had been gradually increasing. He said before that the current accounts of the bank had rather increased than diminished during that time. He might mention, that they had been exceedingly anxious when such depositors in the bank, which he had described, gave notice that they wished to take their money up at the usual period (perhaps at the end of seven or ten days, or a fortnight), they had on all occasions instructed the managers not to lose a moment in paying those gentlemen their money over the counter; they had made provision for that, and those were always their instructions. (Hear, hear.) The diminution which had taken place was something over £600,000 during the half-year, which had in some degree interfered with their profits. Also, in order to have a full reserve in hand and money at their command, they thought it advisable to sell some of their securities, guaranteed Government stock and other things of that class, so that they might never have an anxious hour as to every



demand being met as rapidly as possible. (Hear, hear.) In doing so, some small loss had been sustained, and they also thought it advisable rather to curtail facilities which they had been giving to customers, as they thought it necessary to strengthen themselves in every way. He was glad to say the result had been but a small diminution of their profits, which he hoped would be made up to them in future. When they last met, he alluded particularly to one branch of accounts in the bank, namely, advances on special securities, and mentioned particularly as to the account of the late Mr. Sadleir, and to the Westminster Improvement account. The principal amount of Mr. Sadleir's account, as he then said, was advanced on the security of landed property in Ireland. Those estates had gone through the regular channels preparatory to a public sale by the Encumbered Estates Court in Ireland (which, he was afraid, like others on this side of the water, was rather dilatory in its proceedings), but the estates were in the regular list, and would be brought forward for sale at the proper time—he was told about Midsummer next. But, at all events, they had lost no opportunity of pressing forward the sale. He had also, on a former occasion, said that there were other securities, amounting to £17,000. About £4,000 of that sum had been already received, and £12,000 more would be paid immediately, say before the middle of the month. With respect to the Westminster Improvement property, the prospects were more favourable than they were some time ago. There would be a very large amount of property demolished at Westminster and the immediate neighbourhood, and they were taking steps to let off those houses and other property there, in order to make a favourable sale of them. They had given instructions to finish the houses, and he was glad to say that many of them were already let, and there were applications for more of them; indeed, he thought there was no doubt they should be able to find tenants for all of them when ready for occupation, and substantial tenants, too. He hoped that the whole of the Westminster property, embarrassing and desolate as it appeared, would be brought into active operation before the year was out. With reference to another matter, he could tell them that no director, auditor, or principal officer of the bank owed one shilling to it. (Hear, hear.) He did not state that boastingly, for he saw no reason why directors, if they had good security to offer, should not be placed on the footing of any other customer; but it was the fact, that no director, auditor, or principal officer owed the bank one shilling at the present moment. He had to regret, that since the last meeting, their worthy friend Mr. Wheelton had resigned. There had been so many resignations and removals connected with the bank, that it would be gratifying for them to know that Mr. Wheelton had sent in his resignation in the kindest manner, and that it had been so received by his colleagues. With respect to the capital of the bank and reserve fund, they would recollect that at the last meeting Mr. Coleman pressed very strongly on the proprietors the advantage that would result from increasing the capital of the bank, and also the expediency of increasing the reserve fund. The subject had attracted attention, and he was quite of opinion with Mr. Coleman and others, that though this bank had experienced no want of capital, for they had available funds quite sufficient at their command to meet any demand, still the proposition was a good one, that there should be a fair proportion of paid-up capital invested in the bank, to carry the weight of the customers' balances. He then read the words used by Mr. Coleman in his report in reference to the subject. It had had the serious consideration of the board from that time. He could tell them, honestly and without reserve, that they had felt since then no want of capital, nor did they now, but they thought it was a sound principle to make an



increase to the capital of the bank without reference to their immediate wants. The directors, therefore, proposed, under the powers given them in the deed of settlement, to make an addition of £100,000 to the capital of the bank. It now stood at £500,000, and they would convert that into £600,000 by the issue of 5,000 shares of the value of the present shares of £20 each. They proposed not to do that earlier than the 1st June next, and that those shares should be offered rateably to the then existing proprietors; and without binding themselves to any exact amount, in all probability it would be proposed that the existing shareholders should have one-half the advantage of the difference between the nominal amount of the shares (£20) and the then market value, the reserve fund of course having the benefit of the difference. (Hear, hear.) He thought it was a sound principle, that the shareholders should benefit in common with the reserve fund. It would not make any large addition to the available funds of the bank, for the calls would be made as before—perhaps at first a call of £2 10s. (he thought no call should exceed £5 per share), and it would thus be spread over a period of nearly two years. He found it was two years since the previous addition was made. It would be understood that they did not undertake that operation until the 1st June next. The present state of the money market was perhaps not favourable for it, and they were anxious to consult the convenience of the shareholders, and he hoped that every one he saw there that day, or who was on the register, would be able to reap the advantage of it. (Hear, hear.) Of course the desire in increasing the paid-up capital of the bank being also to increase the reserve fund in proportion, the adoption of the report would carry that resolution into effect. They were aware that it was determined last year that the reserve fund should be limited to £100,000. He thought that was a mistake, and the more he thought of it the more clearly did that mistake appear. By carrying the report, that of course would be obviated, and the reserved fund would be increased to the extent and in the manner he had pointed out, without limiting in any degree the profits of the proprietors. He concluded by stating, that as they had a large number of shareholders, and if they would join with the directors in exerting themselves to procure fresh business for the bank, and to introduce new accounts, it would be a most important step. It was of importance to their interests that the shareholders should join cordially and heartily with the directors in doing all that lay in their power to benefit the concern in which they had all a common interest. The honourable gentleman then moved that the report be received, adopted, and printed for the use of the shareholders. (Cheers.)

Mr. Jones, a director, felt great pleasure and much satisfaction in rising to second the resolution.

The Chairman, in reply to a question, stated that Mr. Sadleir's accounts, when they last met, stood at £112,300, but that was now reduced by £4,000, and in a few days it would be still further reduced from £12,000 to £14,000 more, without touching the Irish estates. They were receiving the rents at that moment regularly, though they could never be sure in the Irish courts some one or other would not rise up to raise a dispute.

A Proprietor wished to know whether the bank was finishing the houses in Westminster, and if they were in the position of landlords.

The Chairman said the directors had put themselves in that position in order to bring the property into active operation, and to receive the rents. They were merely making some alterations, so as to render the houses available, and to convert them into private dwellings. Every step was being taken to make the property available as early as possible, and to be



prepared for an influx of gentlemen engaged in parliamentary business and otherwise in that neighbourhood, with a view to realise the property.

The report was then unanimously adopted.

A dividend, at the rate of 6 per cent. for the half-year ending 31st December last, free of income tax, payable on the 16th February, was unanimously declared.

The Chairman then moved that the sum of £500 be added to the provident fund, and the balance of £7,795 14s. 3d. then remaining be carried to the profit and loss new account.

Mr. Lance seconded the resolution.

The resolution was then unanimously adopted.

A Proprietor proposed the best thanks of the meeting to the directors for the able manner in which they had conducted the affairs of the bank. It was a great pleasure to him, as an old shareholder, to propose the resolution, and he hoped that several would join him in expressing their approval of the management of the bank. The conduct of the board was particularly gratifying during a very difficult period for joint-stock banks, caused by the public excitement arising from the Royal British Bank; but that had entirely subsided.

Mr. Bernard, of Bucks, as a country gentleman and the holder of 250 shares in the bank, could not but admire the conduct of the directors. It was such as to give the utmost confidence to their shareholders and the public, and he was confident the business of the bank must go on increasing under such management.

Several Shareholders followed, expressing themselves highly satisfied with the direction and their confidence in the management.

The motion was put and carried by acclamation.

The Chairman returned thanks to the proprietors, on behalf of himself and colleagues, for their appreciation of the services of the directors. He was happy to say that the affairs of the bank were progressing satisfactorily. He could assure the meeting that not a single opportunity had been lost of establishing a branch where it had been found that by so doing the business of the establishment could be increased. (Cheers.)

A Proprietor moved a vote of thanks to the auditors, who had been appointed by the shareholders, and he believed they had rendered them a just, true, and faithful statement of their accounts, after a careful and searching examination.

Mr. Overton, one of the auditors, said they had had the assistance of Mr. Coleman, who had greatly aided them in their inquiries, and it was right to say every facility was granted them from the officers of the bank, so far as was possible.

The motion was carried unanimously.

Messrs. F. Gaskell, H. Overton, and J. Wright, were re-elected auditors for the current year.

Mr. Jones, a director, in rising to propose a resolution, said, that wherever merit and talent were found in their establishment, it had always the opportunity of rising and meeting with deserved success. He believed that the officers in the bank served them as much for credit and for honour as for emolument, and he would ask the meeting to express its approval of those who had discharged their duty during the past year faithfully, earnestly and assiduously, and show that so long as they continued in that laudable course they should meet from the proprietors with encouragement and support. He concluded by moving the following resolution — "That the thanks of this meeting be presented to Mr. William M'Kewan, the general manager, and the other officers of the establishment, for the zeal



and ability with which they have severally discharged their respective duties."

The Chairman said, it afforded him great pleasure to second the motion, as he had perhaps greater opportunity than others of observing them. He entirely concurred in the statement that had been made, and he believed there never was an establishment better served than the London and County Bank.

The resolution was carried unanimously.

Mr. M'Kewan, in acknowledging the vote, said, he felt under some embarrassment, not only on his own account, but on behalf of his colleagues, in properly expressing their feelings on that occasion. He was sure that Mr. Jones, in stating that they had worked for the bank, not merely for profit, but for the honour and credit that accrued to them, had stated that which was perfectly true, and he believed that so long as such a principle as that existed among the officers of the establishment—and they had now, he believed, more than 300—so long would the bank be well served. It was a principle with them in making appointments, that merit should have advantage over favour. (Hear, hear.) He could say, without fear of contradiction, that favour had no part in the appointments of the bank, or in the raising of officers from one position to another. He was bound to say that, because, unfortunately, it was one of the most difficult parts of his duty to select the clerks. He was inundated with applications for appointments from persons of all sorts. Their principle of making appointments was this, that supposing a candidate be qualified and approved by the directors, then, all other things being equal, the only favour shown, was that when a customer and shareholder gives an introduction to a clerk, he would have a preference over a stranger. They did not look so much to the connections of a man as to his individual merit. Many who commenced their career as clerks, were now occupying comfortable positions as managers at the company's branches. Having returned thanks for their vote to the provident fund, he alluded to anticipations that he had expressed at the last meeting, and also to the circumstances which had prevented their fulfilment, and which had tended to produce a great amount of excitement and distrust, causing people to run hither and thither. He knew that deposits had been drawn out of one bank and put into another, and then again removed and put into another, and then in a few days put into another. The excitement existed not only in London, but all over the country. He believed they were very rapidly recovering, week by week, from the effects of that excitement, and he saw nothing in the diminution of the balances to make them feel depressed. If they had lost a large number of their current customers, it would have been different: that was not so; throughout their branches their customers had increased, and, therefore, if they had lost some they had gained others. (Hear, hear.)

The retiring directors, Messrs. J. W. Burmester, Richard Springett, and W. Champion Jones, were unanimously re-elected, and a cordial vote of thanks to the chairman terminated the proceedings.

As the meeting were separating, the chairman announced that the board intended to call them together again at Midsummer.

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#### CARLISLE CITY AND BRISTOL BANK.

THE twentieth annual general meeting of this company was held at Carlisle, on 10th February, 1857, when the following report of the directors was submitted to the shareholders, and unanimously adopted:—



The balance-sheets now laid before the meeting show the net business profits of the year to amount to £11,804 2s. 11d., being at the rate of £20 6s. 11d. per cent. per annum on the paid up capital. A dividend at the rate of 5 per cent., together with a bonus of 5 per cent., having been paid for the half-year ending 30th June last, the directors now recommend the same rate of dividend, with a similar bonus, to be declared for the last half-year, ending 31st December, amounting together to 20 per cent. per annum; leaving a sum of £1,486 13s. 11d. in the auxiliary fund, subject to the deduction of one half-year's income tax; and leaving a completed rest or guaranteed fund as before of £19,333 6s. 8d., being equal to one-third of the paid-up capital. The directors have the pleasure of reporting that, after a thorough investigation of the entire affairs of the bank, they believe no bad or doubtful debt remains on the books, with the exception of a sum of £75 at the Cockermouth Branch, which may possibly result in a small loss; and that the bank is in every other respect in a sound and prosperous condition.

*Profit and Loss and Auxiliary Fund.**Dr.*

To property and income tax, &c., paid	...	...	...	£513	9	10
Dividend and bonus to 30th June, 1856	...	...	...	5,800	0	0
Dividend and bonus to 31st Dec., 1856	...	...	...	5,800	0	0
Bad debts at Cockermouth, less dividends received	...	...	...	485	1	10
Bad debts at Carlisle	...	...	...	61	1	10
Auxiliary Fund for balance	...	...	...	1,486	13	11
				<u>£14,146</u>	<u>7</u>	<u>5</u>

*Cr.*

By balance of Auxiliary Fund on 12th February, 1856	...	£2,301	1	6
Net profits, 30th June, 1856	...	6,635	11	0
do. 31st Dec., 1856	...	5,168	11	11
Fees of transfer, &c., received	...	41	3	0
		<u>£14,146</u>	<u>7</u>	<u>5</u>

*By undivided profits as under :—*

Guarantee Fund	...	...	...	...	...	£19,333	6	8
Auxiliary Fund	...	...	...	...	...	1,486	13	11
						<u>£20,820</u>	<u>0</u>	<u>7</u>

A dividend of 5 per cent. was declared for the last half-year, and also a bonus of 5 per cent., both payable free of income tax on the 19th. A bonus of 10 per cent. upon their salaries was ordered to be paid to the manager and other officers of the bank for the past year; and votes of thanks were awarded to the directors, Mr. Davidson the manager, and the other officers of the bank.

**HULL BANKING COMPANY.**

THE twenty-third annual general meeting of the Hull Banking Company was held on the 11th of February, at the George Hotel, and was attended by an influential body of proprietors, Mr. Smith Wormald in the chair. The report of the directors, which was read by Mr. George Cobb, showed



that the bank had largely shared in the increased commerce and prosperity of the port during the past year. A dividend of twenty shillings per share, and a bonus of twelve shillings per share, free of income tax, were declared, payable on the 2nd of March; leaving a large surplus to be carried to capital account. The guarantee fund, it was stated, had already reached its maximum amount, and did not admit of any further addition being made to it. Mr. John Dalton, the retiring director by rotation, was unanimously re-elected; after which a vote of thanks to the chairman and directors, and to Mr. George Cobb, the general manager, closed the proceedings.

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#### THE LEICESTERSHIRE BANKING COMPANY.

THE annual general meeting of this bank took place on the 11th of February, Mr. S. S. Bankart, in the chair, when the following report was adopted:—

After closing another financial year, your directors beg to present their twenty-seventh annual report; and before proceeding to the actual business of the meeting think it right to give a summary of their proceedings during the past year. At the last annual meeting, your directors' report adverted to the desirableness of increasing the capital of the bank; and their opinion on this point has been strengthened by recent circumstances. They beg to remind the shareholders that, in furtherance of this object, they considered the time had arrived when they could, with justification to themselves, and advantage to the proprietors, carry out the spirit and meaning of clause 24 of the company's deed of settlement, having reference to the guarantee fund, which provides that "when and so often as such fund, with the accumulations thereof, shall amount to one-fourth part of the capital then advanced and paid, the excess beyond that amount shall, as the directors at any board may decide, either be still suffered to accumulate, or be divided among the then shareholders of the company, by way of bonus, or in addition to the annual dividends, at such times and manner as the board of directors may agree upon, or be added to the capital as fresh stock for the benefit of the then shareholders, in proportion to their respective number of shares." After mature deliberation, your directors came to the conclusion, that the last provision of this clause would be most conducive to the interests of the bank; and they accordingly passed a resolution, on the 29th day of February last, appropriating the sum of £27,500 from the guarantee fund to the capital account, being £5 10s. per share; in addition to which your directors made a call of £2 per share on the first day of July, raising the capital of the bank to £137,500. The resolutions embodying these alterations were conveyed to the proprietors, by circular, at the time. The shareholders will perceive that the profits of the past year have considerably exceeded those of the two or three preceding years. This has arisen partly from an increase of business, and partly from the high value of money. Your directors have pleasure in stating that they have met the requirements of the trading community, without increasing (except for a very short period) the rate of discount to old and valued connections beyond 5 per cent., which they believe has given general satisfaction, and has tended, jointly with the satisfactory state of the agricultural interest—an important element in the welfare of your institution—to produce the results stated in the two half-yearly balance sheets now laid before this meeting. Your directors during the past year have, at the suggestion of influential parties, opened a branch at



Kettering, in connection with their Market-Harborough establishment, and they have every reason to believe it will become an important adjunct to the bank. Many of the shareholders are no doubt aware that your directors are incurring a considerable outlay at the Market-Harborough branch bank. They found, from the dilapidated state of the building, they must either incur a very considerable expenditure in repairs, still retaining an inconvenient building, or pull the whole down, and build a new one. Your directors decided upon the latter—the cost of which, the shareholders will be glad to hear, will not be taken out of capital, but be paid from the profits. The net profits of the bank for the past year (after making ample provision for bad debts) amount to £22,571 17s. 3d., in which sum is included £787 6s. for interest on the guarantee fund. Your directors paid a dividend for the half-year ending the 30th June, of £1 5s. 6d. per share, free from income tax; and now recommend that the dividend for the half-year ending the 31st of December, be £1 7s. 6d. per share, also free from income tax, being 10 per cent. on the paid up capital. After the payment of these dividends, with the income tax thereon, and the appropriation of the interest on the guarantee fund as above, a balance of profits, amounting to £7,651 4s. 7d., will remain, out of which your directors propose to take £5,000, and add it to the capital, in the proportion of £1 to each share, making the then paid up capital of the bank £28 10s. per share, and to carry forward the surplus of £2,651 4s. 7d. to the current year's profits. If the proprietors adopt these recommendations, your directors hope to be able within a short period to increase the capital of the bank to the desired amount of £150,000 without any further call upon the shareholders.

The profit and loss account will then stand thus:—

*Dr.*

To dividend paid to the shareholders for the half-year end-

ing the 30th of June, 1856	...	...	...	£6,375	0	0
Ditto, ending the 31st of December	...	...	...	6,875	0	0
Income tax	...	...	...	883	6	8
Interest on the guarantee fund	...	...	...	787	6	0
Capital account	...	...	...	5,000	0	0
Balance to be carried forward	...	...	...	2,651	4	7
				<hr/> £22,571 17 3 <hr/>		

*Cr.*

By net profit for the year 1856	...	...	...	£22,571	17	3
				<hr/> £22,571 17 3 <hr/>		

And the guarantee fund thus:—

Balance January 1st, 1856	...	...	£25,976	15	5
One year's interest at 3 per cent.	...	...	787	6	0
			<hr/> £26,764 1 5 <hr/>		

It was resolved after the adoption of the report—That the directors be, and they are hereby, authorised to declare and pay a dividend of £1 7s. 6d. per share, free from income tax, for the half-year ending the 31st of December, in addition to £1 5s. 6d. per share, paid to the shareholders, for the half-year ending the 30th of June; also that the sum of £5,000 be



taken from the profits, and added by way of bonus to the capital, in the proportion of £1 to each share, and that the residue of profit, amounting to £2,651 4s. 7d., be carried forward to the current year's account.

Votes of thanks to the manager and officers concluded the proceedings.

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### CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.

THE annual general meeting of this company took place on the 13th of February, at the London Tavern, Bishopsgate-street; Mr. T. A. Mitchell, M.P., in the chair.

The Secretary read the following report and accounts:—

In November last the directors apprised the shareholders, by circular, that their endeavours to obtain from Her Majesty's Government a supplemental charter had proved unsuccessful, but that arrangements were in view which promised to bring the bank into existence immediately under the original charter. They have now great satisfaction in announcing that these arrangements have been completed, and that they will shortly be enabled to commence business in a field where commerce is extending with extraordinary rapidity, and where the capital of this bank cannot fail to yield very considerable returns. The residue of the shares of the company have all been disposed of to influential parties, and the calls upon them have already been paid in full; but these payments do not appear in the accounts now submitted, as they have been made since the closing of the books on the 31st December. The accompanying balance sheet exhibits the sum of £145,820 paid up capital. With the further contributions by shareholders in India (at present invested there in East India Government paper), equivalent in amount to £21,294—and with the accession now referred to, the aggregate capital raised to the present time, together with two calls of £2 each, as hereafter noticed, will suffice to fulfil the conditions of the charter, and to bring the bank at once into operation. The directors now announce their intention of making an immediate call of £2 per share, payable in one month; and a further call of £2, payable two months thereafter; making together the total contribution required by Government. While payment of these calls is being completed, the directors will be actively engaged in organizing their establishments and making all necessary arrangements, so that business may then be commenced without any delay. The directors trust that the accounts now submitted will evince their continued anxiety to manage the financial affairs of the company with prudence and economy, and to the best interests of the shareholders. By the deed of settlement, one fourth of the directors go out annually by rotation, one of that number being immediately re-eligible. Messrs. Kennedy and Spens have retired, and Mr. Mitchell, who also retires, now offers himself for re-election. Mr. W. Macnaughtan, and Mr. J. Nelson Smith, have offered themselves as candidates for the direction, and the directors have great pleasure in recommending them for election, as gentlemen who have now acquired a large interest in the bank, and who enjoy the confidence of the new shareholders. The deed, however, requires that incoming directors shall have been registered as shareholders for a period of six months, and as those gentlemen are not yet qualified in this respect, the directors propose to postpone this election for the few months that have to elapse. Mr. F. Pattison and Mr. T. Dakin, having fulfilled their year of auditorship, offer themselves for re-election. In the prospect of duties much heavier than hitherto, the directors advise the



appointment of an additional auditor for the ensuing year, and Mr. Jonathan Thorp now offers himself to the choice of the shareholders for this office.

*Balance-sheet, 31st December, 1856.*

LIABILITIES.			
Capital paid up, viz. :—			
£2 per share on 32,200 shares	...	£64,400	0 0
1st and 2nd calls of £2 per share each			
on 19,425 shares	...	77,700	0 0
1st call of £2 per share on 30 shares...		60	0 0
		£142,160	0 0
Paid on account of further calls	...	3,610	0 0
		£145,770	0 0
Ditto for call due in India on 25 shares		50	0 0
			£145,820 0 0
Profit and Loss account, viz. :—			
Balance 31st December, 1855	...	£5,342	4 7
Transfer fees account	...		5 10 0
Interest account...	...	£6,822	16 2
Less interest allowed to shareholders, viz. :—			
For half-year ending			
20th March last	£1,558	1 0	
Do. 30th Sept.	1,893	6 7	
	£3,451	7 7	
		£3,371	8 7
		£8,719	3 2
Less salaries and office expenditure	...	1,384	16 0
			£7,334 7 2
Unclaimed interest...	...		106 18 4
			£153,261 5 6
ASSETS.			
Securities bearing interest	...	£144,222	0 8
Cash on hand and at bankers	...	2,189	12 6
Preliminary expenses	...	6,849	12 4
		£153,261	5 6

Examined and found correct, January 26th, 1857.

FREDK. PATTISON, }  
THOMAS DAKIN, } *Auditors.*

The Secretary read the advertisement convening the meeting, and afterwards the directors' report (which had been already placed in the hands of the shareholders).

The Chairman—Gentlemen, I rise now to move the adoption of the report which has been presented to you, and I take this opportunity of saying, that, after I have sat down, I shall be happy to answer any questions that shall be put to me by any shareholder. You may recollect that it is now upwards of four years since an attempt was made to establish this bank



under very favourable auspices; I myself, and many of the directors still left, were original directors of the undertaking. We entered into it in the belief that the field we sought to occupy was one where capital could be most advantageously employed, and having that belief, and having been confirmed in it by every year that has since passed, we have considered it our duty, during all this time, through all the difficulties that we have had to encounter, to look, as our permanent object, to carrying out the objects of the undertaking. This time last year, I informed you, that, in consequence of the difficulties in which a large body of the shareholders had been involved, the funds of the company were not in a position to enable us to go on with the amount of capital proposed, and you sanctioned an application to Government to commence with a smaller capital. Gentlemen, we explained to you, in a report in November last, that that application had been unsuccessful. We were not prepared for that result, inasmuch as the application was grounded on the opinion of the then Solicitor-general, the present Attorney-general, which opinion he afterwards entirely contradicted. I need not tell you that any application to the Treasury always involves considerable delay; but, as soon as we knew the result, we communicated with you, and informed you that, as the annual meeting must be held so early as February, we thought it our duty to see whether the capital proposed could not be raised in other quarters. I am happy to inform you that the capital has been raised by the addition of a large body of opulent shareholders, many of whom have been, and some of whom still are, connected with India, and on terms which do not involve, I need hardly say, any loss to the bank. In fact, it would be contrary to the provisions of our charter, were we to sanction such. The capital being now raised, and the whole £8 per share having been subscribed and paid for, it is our duty to submit to you the propriety of at once proceeding by two further calls of £2 each, to raise the necessary capital to begin business; and, if you sanction those calls, we fully anticipate that we shall be able to begin business with India and China, by the end of the summer, *i. e.*, somewhere about the period that the shipping seasons there are commencing. The directors having fully considered the matter, are of opinion that it would not be advisable, for the present, to establish branches in Australia; but they leave themselves open to any proposal that may be made to them from some of the established banks in that field. It is our intention to establish branches at Bombay and Calcutta; and, unless the present state of matters in China interferes with it, at some one or two ports in China. As regards the field for business, I think every year's experience shows more and more the necessity there is for further banking accommodation. Perhaps as good a proof as we can give of that is, that the only bank possessing the same privileges by charter as ourselves, namely, the Oriental Bank, has been throughout paying a dividend of ten per cent., or more, and is now advertising to borrow money for six months at the rate of five and a half per cent. That itself may prove that we are in possession of a field which holds out a tolerably good prospect. And, then, we have to look at the enormous extension of business that has taken place in India. Take one official return, just as an instance—you find that the exports from Bengal alone, in the official year 1854-55, amounted to £11,926,470, and for the year 1855-56, amounted to £13,752,029, showing an increase in the last year alone of £1,825,559—that is, from Bengal. Then take another quarter, Bombay; look at the prospects of the development of the resources of all those districts of which Bombay is the natural capital, holding out even a greater promise than Bengal. I will not trouble you with many statistics, but to give you some idea, I have had a table prepared, showing



the exports of a few articles. The export of cotton from Bombay, in the year 1854, amounted to 398,000 bales; in 1856, it amounted to 667,000 bales—that is, an increase of not much less than double in two years. The export of wool in 1854, was 37,000 bales; in 1856, it was 49,000 bales. The export of linseed was 9,000 tons in 1854, and 15,000 tons in 1856. The export of rape-seed was 700 tons in 1854, and 3,000 tons in 1856. And the export of mustard-seed was 500 tons in 1854, and 1,200 tons in 1856. These articles alone give an excess for the last year over previous years, valued at one million and a quarter sterling. And this is all done while as yet the railway system, of which Bombay is the great centre, is but in its mere infancy. We have every reason to expect that when the railways, which are being now so rapidly carried out under the guarantee of the Indian Government, are extended into the heart of those districts which are the natural seats of the production of cotton, the export of cotton from Western India will take a perfectly wonderful start. I believe that the railway from Bombay, now in course of completion, is striking into the important district of Berar, from whence cotton can be produced to a vast extent. But, when this railway is quite completed, which, it is expected, will be in about three years from this time, I am satisfied that trade there will develop itself in a manner perfectly unprecedented. Then, with regard to Soinde and the Punjaub; there again railways are in their infancy, and we all know that the great drawback upon the Indian trade has not been the want of soil or of labour, but has been these two wants,—the want of carriage and the want of capital. I trust that the want of capital will gradually, by means of banks and private enterprise, be no longer felt, and there will, of course, be no want of railway carriage. Looking, then, at all these prospects—considering that no other bank but the Oriental bank possesses the same privileges as we do ourselves, combined with limited liability—that all the banks in India have been paying large dividends, I think that we have every reason to anticipate that we shall have a most productive field for the employment of our capital. I will not go into statistics now with regard to the bullion trade. I do not think it right, as we are going to start, that we should show our cards to other people. Certainly, estimates have been put before me with regard to the export of bullion from this country to India and China, and the export of gold from Australia to India, which show how large the profits have been for a long time, and are at this moment; nor do I see any chance of their falling off. No doubt this is, in one sense, a rather unfortunate moment for making calls, in consequence of the stringency of the money market. But it must be borne in mind that that stringency of the money market has been greatly caused by the profits of the very trade in which we propose to take a part as a bank. I only regret that we were not in a position two years ago to carry on the business, that I might have met you now to congratulate you upon a handsome dividend. Having now the capital subscribed, and a body of proprietors fully competent to support the undertaking, we considered it our duty to draw up the report that we have done, and I move that it be approved and adopted.

Mr. Lindsay, M.P.—I rise to second the motion of the chairman, and, in doing so, I should say our chairman has entered so fully and clearly into the commercial points of the question, that it would be out of place in me to occupy your time long. However, there is one remark that fell from our excellent chairman that I should refer to. He said, that “in 1854, the exports of cotton from Bombay were 398,000 bales, and in 1856, the exports were 667,000 bales. When we started this bank in 1853, four years ago, I must say, myself, among a number, entered into it as men of business, fully



convinced in our own minds, that it was a legitimate and sound undertaking—that it was an undertaking which the extension of trade and commerce clearly invited. Most of you are aware that our shares came out and rose to £2 premium, showing that the public had great confidence that it was to be a profitable undertaking. That was at a time when the exports of Bombay cotton did not amount to perhaps more than 350,000 bales. They have now nearly doubled that, and we can see that, with such an immense increase, the banking accommodation must increase too, because, in the manner commerce is carried on over the world, it cannot possibly do without banks of exchange. Therefore, our undertaking was supposed to be a good one years ago, and no one else has come into the field since. I believe there were one or two attempts to get up a company, but, from one cause or another, they did not succeed. We have stuck to it, and, if we were convinced then that it was good, it will be doubly good now, because the trade is nearly doubled since that time. But it has become an actual matter of necessity; for, speak to any East India merchant you meet, and you will find that the exports thence have increased so largely, that the existing banks cannot meet the requirements of the traders, and the merchants not being able to sell all the bills they desire to sell, are obliged to hold over remittances from one mail to another, simply because there is not anything like sufficient bank accommodation. Rapidly as the trade has increased within the last four years, it will still increase. Of this, there can be no doubt whatever in the mind of any of us here, when we look at the means of communication now opening so fast. The chairman alluded to those Indian railways. Look how railways have developed commerce throughout Europe; and, when you reflect on what railways have done, even in England, it is not possible to conceive to what extent trade may be developed in other countries, such as India, with far less means of transit hitherto. We have lines of communication: I myself, in my own small way, have a line of steamers running every month to the principal ports of India; and from India, every railway on land and every railway (which I call steamers) on the ocean, is helping to develop the trade, and trade, when aided by all such means, will be increased to such an extent that we, sitting here, cannot form the most distant idea of it, bye and bye. In regard to the point I was speaking of before, there is one item alone—cotton—possessing extraordinary interest. You may be aware, by the very able leading article that appeared a few days ago in "The Times," that the Government are anxious for the development of cotton in India. I had a conversation with the Secretary of the Board of Control the other night, and he said, Government was most anxious to extend the growth of cotton in India, and the more so now that the railways were opening up into the cotton districts. And he said, if you know of any capitalists who are willing to enter upon the growth of cotton in India, I have the authority of Mr. Vernon Smith to say, that he will be ready to meet them on most liberal terms; showing that the Government are decidedly anxious on this point, and that before long, the growth of cotton in India will be increased to an extent it has never before attained. I held but one opinion of this bank when I took part in starting it, and I hold that opinion still; and I know nothing that I am more thankful for, than that notwithstanding all the difficulties we had to encounter (and we had a great many to contend against, and our chairman has fought against them manfully), we have overcome them all, and at very little expense too. For, although we have been fighting, and have paid the expenses of the lawyers, and the charter, yet we have been actually giving you a dividend quite as much as some banks in full operation. If we have been managing our



affairs in that way (thanks, by the way, to my friend Mr. Gladstone here, for his assistance in this), I think you will have confidence that we shall endeavour to go on as we have commenced. As to the call, in these hard times for money, the chairman did not particularly allude to it; but it may be as well to say, since some persons may perhaps suppose that it is necessary to call up precisely the whole of the £20 per share speedily, that that is not the case. All that we require, in order to commence operations, is a further payment now of £4 per share, in two calls; the remaining £10 is not necessary (our solicitor here present will correct me if I am wrong), the remaining £10 per share need not be called up for two whole years after these two calls have been paid, and the bank has actually commenced. I am sorry to have occupied your time by the few remarks I have made, but I have great pleasure and satisfaction in seconding the resolution before you.

Colonel W. C. Onslow—Sir, may I be allowed to address you for a moment, unknown as I am to most of the gentlemen present, and little accustomed to speak at public meetings. I never spoke in my life before at one, but having been many years in India, and having had the civil charge of a large district, and having myself cultivated cotton there, I beg to speak upon that point. I had charge of a large district, bordering upon Dharwar, in western India, where I cultivated cotton, introducing the new kinds from America, the Mauritius, and Bourbon, and I succeeded in introducing and rearing largely a very fine cotton. I speak of this with reference to what Mr. Vernon Smith said in the House of Commons very lately. He said, "We must fall back on indigenous kinds." I differ greatly from him. The indigenous are kinds wretched in quality, short in staple, and hardly fit to be introduced into the English market. But I sent specimens of the cotton which I had imported and grown, to the Manchester Chamber of Commerce, and they gave a very high opinion of them; indeed, set the highest prices upon them in their valuations. In the neighbouring district to mine in Dharwar, when I first entered that division, ten years ago, there was hardly an acre of American cotton cultivated, and before I left the country, only recently, there were 40,000, if not 60,000 acres in cultivation of Mexican cotton, the finest that can be produced; and I believe it is equal in staple and colour, and may be, with a little improvement by manipulation, and a little management, made as good as American cotton can be produced in New Orleans. Having stated these facts, I beg to thank you for your attention, and cordially support the resolution before the meeting.

Mr. Rutherford—Sir, I do not intend giving a speech, but I think I am called upon, having lived several years in China, and understanding it, to mention this: that I was so much impressed in favour of this bank, that on my return to this country, in 1853, from a tour in the United States, I applied and took shares at a premium, and I hold them still, and am glad of it, because I feel that the field in China is most valuable, and that notwithstanding the late disturbances in Canton, the general trade with China will not be at all affected or lessened. At Shanghai and Foo-Chow the trade is increasing yearly, and will do so notwithstanding the troubles of the south; so much is the trade at the north increasing, that at Shanghai the annual export of silk, for the year 1856, was upwards of 42,000 bales, whereas from Canton it was only 8,000. And in respect to tea, the export from Shanghai has taken precedence of all other ports, and the reason is that Shanghai is nearer both the tea and the silk districts, and therefore I think that the disturbances in Canton will in no degree interfere with the branch banks that you may establish in the other great ports of China, where the whole foreign commerce is really conducted more and more every year. Coming from that



country so lately, and knowing something of it, from residence as a merchant, I only say for myself, that I feel much gratified by the manner in which the directors of this bank have managed the affairs which have been entrusted to them by the shareholders.

Mr. Hercules Scott—Sir, it can hardly be expected in a large meeting like this, that there would not be some persons present who hold different opinions to those so ably expressed by yourself, and which have been so zealously followed by the gentleman who seconded the adoption of the report. But, gentlemen, I hold a different opinion from those expressed. The chairman has pointed out the great advantages likely to arise for the future—I would wish to deal with the present. I cannot help feeling that peculiar circumstances attach to this undertaking, and, without the almost unanimous consent of the shareholders, that the undertaking ought scarcely to be continued. I think the directors should at once have called a general meeting of the shareholders, to consider the present state of the affairs before they made their arrangements now announced. I am not aware whether these opinions, which I now express, are shared in by any other gentlemen in the meeting, but if I can get a seconder, I am ready to move an amendment to the effect, that the meeting considers that the circumstances under which they now stand are very different from those under which they first contemplated instituting this bank, and that steps should be taken to wind it up.

The Chairman—If that resolution is seconded, I should be glad if the gentleman will favour me with it in writing.

Mr. H. Scott—I am not aware whether I can find a seconder; I simply express my own opinion.

The chairman made an observation in correction of Mr. Scott, and added, that as there was no seconder, the proposed amendment could not be put. If no other gentleman has any question to ask, I will now put the motion to the show of hands.

The resolution was accordingly put and carried with one dissentient voice.

After the re-election of the directors, and votes of thanks to the chairman, board, and secretary, the meeting separated.

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#### BIRMINGHAM BANKING COMPANY.

THE twenty-seventh annual general meeting of this bank was held on the 18th February, Mr. J. F. Ledsam in the chair, when the following report was presented and adopted:—

Your directors have the pleasure, on this occasion, to present the twenty-seventh annual report of your company; and the first fact which seems to present itself to notice is the severe pressure on the money market, which has continued almost without interruption through the whole of the last year, giving emphasis to the old truth, that it is vitally important for bankers to have adequate reserves at all times at command, and for all traders to keep their transactions within safe limits. At the same time it is a subject for congratulation, that this pressure, although aggravated by the enormous expenses of a great war, found the trade of the country generally in a sound and healthy condition, and well prepared to meet more than ordinary difficulties; and although the high rates for money have injuriously affected all transactions conducted on the principle of small profits, and the present heavy scale of taxation has been felt particularly burdensome by almost all classes, happily there has been an absence of those



great and startling mercantile failures which have characterised some former periods of difficulty, causing widespread disaster and ruin. It is now certain that the questions involved in the Bank Act of 1844 will, during the present session, be subjected to parliamentary inquiry and discussion; and it is to be hoped that the whole subject will be so thoroughly and intelligently considered as to lay the basis of a good measure, and which, although it may fail to secure universal approval, shall at least not be opposed in any degree to the best interests of the country. Your directors have now the pleasure to lay before you the result of the last year's business. After making provision for bad and doubtful debts, the net profits amount to £42,012 14s. 2d. Already the sum of £20,000 has been taken from this amount to pay the half-yearly dividend of 10s., and the bonus of 10s., in September last; and your directors now recommend you to declare a dividend of 10s., and a bonus of 10s. per share, without deduction, making together 20 per cent. on the paid up capital, and to carry forward the surplus of £2,012 14s. 2d., with the balance of £4,728 9s. 8d. left over on the previous account, to the current year.

The account framed on this recommendation stands thus:—

Balance brought forward from 1855	...	...	...	£4,728	9	8
Net profits for the year 1856	...	...	...	42,012	14	2
				£46,741	3	10
September dividend and bonus of 10s. each	£20,000			40,000	0	0
Dividend of 10s. per share, payable 2nd March	10,000					
Bonus of 10s. per share, ditto	10,000					
				£6,741	3	10

The paid up capital is £200,000.

The guarantee fund is £100,000.

The report and dividend having been agreed to, the usual votes of thanks, &c., were passed to the directors, manager, and officers.

### **[PROVINCIAL BANK MEETINGS.]**

THE Birmingham and Midland Banking Company announce a dividend of £3 10s. for the half-year ending December last. The Stourbridge and Kidderminster directors declare a dividend of 7s. 6d. per share, free of income tax, the dividend at the corresponding period of last year being 5s. per share. The report issued by the directors of the Wolverhampton and Staffordshire Banking Company showed that the year's profits amounted to £16,413, and after adding the balance left over on the 31st of December, 1855, left £17,031 to be dealt with; of this sum £5,000 had already been disposed of in the half-year's dividend of 10s. per share paid last September; a further dividend of the same amount was recommended for the half-year ending the 31st of December; of the residue it was proposed that £5,000 should be added to the guarantee fund, making it £12,000, the balance, amounting to £2,031, to be carried forward to the credit of the present year.

The directors of the Birmingham Town and District Bank announce a dividend of 5s. per share, and a bonus of 2s. 6d. per share, being 7½ per cent. for the half-year, free of income tax.



The annual meeting of the Dudley and Westbromwich Banking Company has been held. A dividend of 5s. per share, or at the rate of ten per cent. upon the amount actually paid up, was declared.

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#### NATIONAL DISCOUNT COMPANY.

THE first annual meeting of this company was held on the 6th of February, at the London Tavern, Mr. F. W. Russell, M.P., Chairman of the Board of Directors, in the chair.

The following were the principal heads of the report, viz. :—

The directors have the pleasure of submitting to the shareholders a statement of the affairs of the company, on the 31st of December last, together with an abstract of the profit and loss account, which shows a net profit of £7,766 14s. 10d., after the payment of current expenses, and providing for bad and doubtful debts. The directors recommend that a dividend of 3s. per share on the original shares, with a proportionate dividend of 3d. per share on the deposit upon the new shares, together amounting to £6,376 5s. 3d., be declared, and the balance, £1,390 9s. 7d. be carried forward to next account. It is suggested that the liquidation of the preliminary expenses shall be spread over a series of years; no appropriation towards them is proposed at this early period, but they have been held in view in the amount of the balance to be carried over. The directors have to express to the shareholders their satisfaction with the progress of the business; the bills discounted to 31st December having amounted to £5,926,413 16s. 1d., and the number of accounts opened being 845. The results would have been still more favourable but for the sudden advance in the rate of interest in October, and the great scarcity of money which has since prevailed. It must also be kept in mind that the growth of every business is gradual, and the forming a connexion a work of time, while the expenses of an efficient establishment are immediate, yet indispensable. The capabilities of the office have been necessarily adapted to transactions of a much greater extent; but as the business increases, the expenses will each year become a comparatively lighter burden on the profits. The offices at present occupied by the company, though sufficiently central, are most inconvenient, and the access to them has been much complained of: but the directors are happy in being able to announce that, after several protracted and ineffectual negotiations, they have at length secured a most eligible site in Cornhill, on which they propose to erect a building which will afford suitable accommodation for the business of the company.

The Chairman, in moving the adoption of the report, observed that if the directors had so desired, they could have put the company forward in a more favourable light had they delayed the meeting, for, in point of fact, their business operations extended over seven months only. Under these circumstances, the results were most satisfactory. When the company commenced business, interest upon money stood at 4 per cent.; but later, in the month of October, that rate suddenly rose, and continued high, and thereby the profits of the undertaking had been diminished. It would be seen, however, that the business had been steady and progressive, and, considering the prejudices that at first prevailed on the subject of limited liability, he thought the shareholders had good reason to congratulate themselves upon their early operations. With respect to the assets of the company, the auditors had gone fully through them, and found them to be



perfectly safe and correct, while the share registers had also undergone an equally searching examination, and they also were found to be perfectly regular.

Some discussion was raised by Mr. F. Bennoch about the preliminary expenses, set down in the capital account at £5,614 10s. 2d., and the item in the profit and loss account of £1,032 15s., in which current expenses, directors' remuneration, and reserve fund to meet losses on unpaid bills, were lumped together. It was also objected that no account was given of the cost of the proposed new offices in Cornhill; but ultimately the report was adopted and the dividend declared.

The retiring directors were re-elected, and thanks having been voted to the officials, directors, and the chairman, the proceedings terminated.

## Communications.

### CANCELLING ADHESIVE STAMPS AFFIXED ON CHEQUES.

SIR,—In your answer to "A Practical Banker" inserted in this month's number of your valuable magazine, relative to cancelling adhesive stamps affixed on cheques, you state that "the document may be good though the stamp is not regularly cancelled, but the person guilty of neglect is liable to a penalty of £10."

"The document may be good." Your opinion, therefore, does not appear to be free from doubt, especially as you assert that "the person guilty of neglect is liable to a penalty;" i.e., a penalty for being "guilty of neglect," in cancelling the stamp conformably with the special directions of the statute for that purpose.

I am quite aware that upon points created by new statutes opinions will vary, and continue various, until the elastic rules of common law have been employed to decide. When called upon, the courts may decide that such a document is not good—there yet remains the "glorious uncertainty."

You appear to have no doubt that the cancelling, otherwise than as specially directed, is irregular and not in conformity.

I assume it to be settled that whatever is prohibited on pain of penalty is illegal. I assume the 4th section of 16 and 17 Vict., cap. 59, to be directory and prohibitory—directory, inasmuch as it especially points out the mode in which the stamp shall be cancelled—prohibitory, inasmuch as that the instrument shall not be delivered out of the hands of the party until it has been cancelled "in manner aforesaid," if otherwise it is illegal. If illegal, it cannot be made available as evidence in a matter of contract or payment.

May it not be argued, also, that the cancellation in the manner specifically directed is adjunctively part of and inherent to the stamping of the instrument in order to make it (i.e., the instrument) good; and that the stamping is incomplete if the cancellation be otherwise than as so specifically directed; and, consequently, that the instrument would be deemed "not duly stamped," and therefore not available as evidence in a matter of contract or payment.

I admit that the affixing of the stamp may be urged to show that there was no intention of fraud, or to evade, and that the revenue had received its due. But again, may it not be argued that a reasonable appearance of an intention to conform is not such a conformity as comes "within the



meaning" of the statute? The statute prohibits the delivery of the instrument until the stamp has been statutorily cancelled. Are not the previous decisions of the courts relative to unstamped cheques somewhat analogous?

Apart from all the above, I venture to observe that, considering the penal and other consequences to which bankers in general, but country bankers in particular, are liable with respect to the numerous cheques (especially unstamped ones) which do not conform to the law, it is a matter of surprise that they (the bankers) do not take the initiative, and, for their own protection, have all their cheques impressed with the proper stamp, "politely requesting" (I had almost gone to the justifiable length of saying "insisting upon") their customers using none other. I feel convinced the bankers would experience no difficulty in so doing. The customers would also be protected; and I think the bankers will, ultimately, adopt this suggested course, unless, in the meantime, there is an interference by the legislature. The amount of one penalty would cover the cost of a multitude of stamps.

Irrespective of the foregoing remarks respecting the cancelling of adhesive stamps, I beg to observe that the statute directs the cancellation to be "by writing thereon his name, or the initial letters of his name." What interpretation may be placed upon the words—"his name?" I ask this because I find in 9, *Bankers' Magazine*, page 396, your report of a case, *Kindersley v. Knott*, wherein "Mr. Justice Maule" is stated to say—"I remember a very learned and ingenious argument by Mr. Jardine, when I sat in the Court of Exchequer, by which he proved to the satisfaction of the Court, that the Christian name is the real name, and the surname is only an addition; that in the case of John Stiles, for instance, John is the real name, and that Stiles was perhaps originally added only because the ancestor lived near one." And can you, without inconvenience, say what case it was that Mr. Justice Maule referred to?

I find that the statute 17 and 18 Vict., cap. 83, section 5, in its directions as to the cancelling of an adhesive stamp on a foreign bill of exchange, is much more stringent than those relating to cheques, for it directs that the cancellation shall be made "by writing thereon his name, or the name of the firm, and the date of the day and year on which he shall so write the same;" and in addition to the liability to a penalty of £50, it is declared that the bill shall not be available for any purpose whatsoever; and, moreover, it does not authorise a substitution of the initial letters of the name or firm. I mention this because I have seen several stamps on foreign bills cancelled by initials; these I take to be cases of nonconformity, and subject the holders of such bills to very serious consequences. Is this your opinion?

I beg to offer an apology for troubling you thus much, but your known willingness to oblige and furnish "the fraternity" with information pertinent to their "duties, rights, and liabilities," has emboldened me to become "a trespasser."

And I remain, sir,

Your very respectful and obliged servant,

A COUNTRY BANKER'S CLERK.

W—h, 8th December, 1856.

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#### COMMERCIAL MORALITY.

SIR,—You have more than once, in an editorial capacity, commented in just terms on the decadence of the mercantile integrity of Great  
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Britain, as evinced by several recent events of almost volcanic violence and suddenness; and, as I doubt not that you are always ready to receive from time to time such corroborations of your opinion, as may be called forth from your readers, I therefore venture to trouble you with a very few observations on this subject.

It is a matter on which I have always felt pretty strongly, but I confess that my attention was more forcibly drawn to it lately by its being made the subject of great deprecation in a sermon at a dissenting chapel where I happened to be present on the last Sunday of the year. It struck me, that if this respectable and unworldly-looking clergyman should deem it incumbent upon him to allude to it in his generalising summary of the sins of the nation for the past year, the prominence of the evil must be becoming very glaring.

This is indeed a stigma which it would be noble and worthy of England and Scotland to combine to eradicate, as a "national grievance" which affects both countries directly or indirectly. It is like a flaw in a separate member, which, if not speedily administered to, will eat into the whole body corporate.

If only on the somewhat sordid grounds, that "honesty is the best policy," we ought to address ourselves to this as a people, and redeem our sullied reputation. For, is it not as a commercial nation that we have first become famous, in distancing all former competitors and superiors in enterprise, colonisation, and manufactures? Is it not by our honourable dealing that we have become so—that we have gained for our merchants the title of merchant princes—that we have placed the credit of the British merchant highest among the marts of nations, from plodding Amsterdam, in civilised Europe, to the still reluctant Hong Kong, in outer Asia?

Would it not be a sad thing to lose this eminent position we have attained to—to find that, where, before, the word and bond of a stranger in a foreign city were taken simply from his speaking in the English tongue, we should henceforth meet with suspicious glances and vexatious delays? And though the gigantic figures on our export and import tables may be pointed to triumphantly, as indicating that British commerce never shone with such lustre, it must be remembered that a good name once established is, fortunately, not lightly lost, and that the momentum of such a moving mass as the trade of Great Britain is not so easily arrested. But let us not rest satisfied with a look at the Chancellor's columns and turn listlessly away, thinking that all will come right. Let us investigate the matter more practically! Believing its importance as I do, I cannot help considering it somewhat injudicious (to use the very mildest term) that a recent unfortunate and notorious defaulter should so soon be liberated from his durance, as I understand is in immediate contemplation; and, worthy of considerable sympathy as I think him to be, surely the author of such an avalanche of misery should scarcely be set free while his victims are still writhing from the effects of his folly, and while questions in connection with his estate are still pending in the Courts.

Surely this is not the method to stop the progress of the commercial gangrene. Too severe a code of laws is apt to defeat itself; but, on the other hand, a treatment of crime, gentle even to weakness, tends but to encourage a repetition. And now it may, perhaps, be expected that I am coming forward with a panacea for the growing evil—that I am going to propose a series of regulations and restrictions for the consideration of the legislature. This is indeed very far from my purpose. Commercial affairs are best regulated by commercial men in a simple manner, without the intricacy of continual new enactments.



I consider that, if attention be excited to this subject amongst the mercantile community at large, that that is, in fact, the remedy for the evil; and I would therefore, in harmony with this idea, conclude by offering a nostrum so simple that, most likely, it will be sneered at. It is this—let there be more adherence to forms, and jealousy of ourselves. Forms are assuredly the great safeguard of business, as they are, in some respect, the basis of society. They stand in place of common sense to the feeble-minded, of a barrier to the ill-regulated or the tempted, of a wholesome restraint to all. Many a man has lost himself by disregarding the morality of form—by doing that which, so long as there is no question at stake, so long as he can pay 40s. in the pound—would, even if it were known, excite no great reprehension, but, let misfortune come upon him, let a dispute occur where every legal exception is taken, then it is that his little deviation from “form” becomes swollen into enormity, and calls forth universal execration.

Let merchants and tradesmen, then, be jealous of themselves; let them be fearful of “the appearance of evil,” let boards and councils be jealous of their combined actions (for in the very combination and concert, there is a speciousness which is self-deceptive); let them check the approach to inaccuracy and impropriety in others by a polite reference to form; and we may hope, nay, we may be sure, that the aggravated symptoms of disorder which, for the last eighteen months, have been exhibiting a precocious virulence, will banish before the healthful influences of a searching self-distrust, and a determination to require and to practise straightforwardness.

I am, sir, your very obedient servant,

Edinburgh, Jan., 1857.

A. O. S.

#### DEPOSIT BY A MARRIED WOMAN.

SIR,—Will you oblige me by informing me in the next number of your Magazine, if a banker can legally take a deposit of a married woman without joining her husband's name in the receipt.

And, also if, where the husband's name is joint, and he dies, the indorsement of the wife is a good discharge to the banker?

Your obedient servant,

17th February, 1856.

JUVENIS.

[As these questions are put, they may be answered by saying, first, that a bank may take money on a deposit from a married woman, without joining her husband's name, but that he can demand and recover the money during his lifetime, and his executors could do so after his death; secondly, that if the husband knew of the joint investment, it would amount to a gift to the wife in the event of her surviving, and that her indorsement would then be a good discharge.

Apparently slight circumstances may make an important difference. For the law on the subject in general, see *Bankers' Magazine*, vol. 12, p. 525.]



## THE BANK CHARTER ACT.

SIR,—Some attention is now being given to the subject of the renewal of the Bank Charter Act; and as now "we look back with astonishment at our antecedent ignorance," I believe the time will come when the enlightened public will look back with wonder and amazement at our ever having passed laws to make a metal (of which we naturally possessed little or none) our only legal medium of exchange.

It is said the act of 1854 "is intended to insure the constant equality of notes and coin, and it accomplishes that grand object in the least onerous way," and that "it has maintained a strict correspondence of the amount of paper notes with the amount of bullion." The following are taken from the Bank returns, and do not show any correspondence at all—rather the reverse. The amount of notes here given, is the amount of circulation over and above the £14,000,000, which all allow cannot be paid in gold. The bullion includes coin :—

Date.	Notes.	Bullion.	Date.	Notes.	Bullion.
1844—Dec. 7	6,986,000	14,450,000	1851—Aug. 9	6,411,000	13,882,000
1845—Mar. 29	6,660,000	16,006,000	Dec. 27	4,784,000	17,043,000
Dec. 6	8,015,000	13,358,000	1852—Aug. 7	9,374,000	21,809,000
1846—Mar. 28	6,346,000	13,893,000	1853—Jan. 22	9,387,000	19,711,000
Dec. 5	7,055,000	14,946,000	Oct. 1	8,332,000	15,839,000
1847—Jan. 2	6,633,000	15,083,000	Dec. 24	6,916,000	15,424,000
April 24	7,014,000	9,664,000	1854—May 13	7,908,000	12,856,000
July 17	5,460,000	10,232,000	Sept. 30	5,616,000	13,222,000
Nov. 6	7,152,000	8,478,000	1855—Feb. 17	5,595,000	12,723,000
Dec. 4	6,161,000	10,210,000	May 12	6,182,000	15,554,000
1848—June 17	4,688,000	13,780,000	July 7	5,931,000	17,958,000
Mar. 25	4,640,000	15,065,000	Sept. 29	5,859,000	13,530,000
Nov. 4	5,569,000	13,275,000	1856—Jan. 19	5,089,000	10,549,000
Dec. 30	3,903,000	14,817,000	May 10	6,026,000	9,796,000
1849—Aug. 11	5,302,000	14,582,000	July 5	5,504,000	12,540,000
Dec. 29	3,976,000	16,965,000	Aug. 30	6,063,000	12,443,000
1850—Aug. 10	6,548,000	16,844,000			

It is said that any interference with the deposited bullion "would be an act precisely of the same kind with that which subjected Strahan, Paul, and Co., to transportation for fourteen years." The amount of deposits in the Bank on 12th October, 1844, was £16,377,000, and the bullion £14,832,000, the circulation being £21,336,000, so the act of 1844 took away from the depositors, and exclusively gave to the note holders £7,336,000 of bullion; therefore the passers of that act ought to have fourteen years.

It is said the act of 1844 "has a powerful influence in preventing hazardous speculation, factitious prosperity, and the subsequent recoil." Allowing that abundance and cheapness of money causes hazardous speculation, it seems to me to be the very cause, for since the passing of that act we have had money several times cheaper than it ever was before, which has also caused the recoil of higher rates than ever before known; and we have had more and greater alterations during the twelve years since its passing than during the whole history of the Bank before.

It is said "that the practical effect of the act of 1844 is to do what other acts professed, but failed to do—that is, to make paper and gold precisely of the same value, and to insure the immediate conversion of the former into the latter." This is a bold assertion, for my practical experience



teaches me it is no easier now to obtain gold for notes than it was before 1844. The former act had the same practical effect, the public under it never having had to seek gold for notes in vain.

I cannot agree that "nothing would be gained by meddling with the local circulation as it now exists." I think there are several items which require alteration, even if we admit the principle. Some say it was passed for the public protection, but that is wholly negatived by the fact of its allowing a bank to issue notes as it then existed, or with a less number of partners, but if it increases its strength by admitting more than six partners, its privilege of issuing ceases. I am aware of several cases where that clause has been the chief obstacle in preventing the old private bank merging or transferring itself into a joint-stock company.

The question has been asked why £14,000,000 was fixed upon as the amount of inconvertible paper, but never answered. Admitting it to have been a necessary and suitable amount in 1844, from our increased transactions in every way, can the same amount only be required now? If no more circulation be allowed, why should our taxes be increased? I am well aware of the manner in which our transactions are carried on and the economy caused by cheques and transfers, but think, when having done considerable mischief, it will be found, like tight lacing, a species of self-mutilation.

There is a considerable allowance now made by the Bank in consideration of its privileges, but if we are to have a national paper, I cannot see why Government should not be the gainers by it. I am aware it is a difficult subject to embrace, and do not feel myself equal to it, although believing our present system very faulty. The answer to such a question as "What is a pound?" might be "a Government note," which would be as satisfactory and as well understood as anything else.

Allow me to suggest the legal tender be removed from Bank of England notes, and a national discount and advance office be opened, which should issue Government notes only (of course on good security), say at 4 per cent.; such notes, being always repayable at par, could not go to a discount, and the public, having to pay a fair interest, would not take more than was required.

The Bank of England, to which much praise and thanks are due, might still be the great bullion mart, unfettered by restrictions.

The chief objection to the currency being in the hands of Government seems to be, their inability to properly manage any business; therefore it is very desirable it should be placed on some self-acting principle.

I am, sir,  
B. B. C.

February, 1857.

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#### DUTIES OF BANK OFFICERS.

SIR—In an article in your last magazine on "the Great Banking Forgeries," you remark, that "as affording the prospect of the richest harvests, the banking interest has been selected as the sphere for the operations of the ingenious professors of forgery and fraud which have of late been so prosperously pursued in the great metropolis." It occurs to me that the present would be a suitable time to bring under the notice of directors and others concerned in the management of joint-stock banks, the onerous position of the officers employed in carrying out the important trusts reposed in them, and the very inadequate remuneration they receive for the responsible duties they have to discharge; and I consider you will confer a



material benefit on both the parties immediately concerned and the community generally, by permitting me to occupy a small space in your valuable magazine, for the purpose of showing the nature and responsibility of a bank officer's duties. A bank officer requires to be most attentive to his duties, to be diligent in season and out of season; he is to be always present at his post, always responsible in his feelings, in the estimation of the public, and especially to the directors, for the proper performance of his duties, so that he may further the prosperity of the bank; and, for these services, he ought to be well compensated, pecuniarily, so as to stimulate his faculties to their best efforts. We mistake human nature when we expect great efforts from any man, and supply no proper motive therefore.

The first officer in the bank is the general manager. In some establishments, the entire management is left to him, with the supervision of the directors merely for a few hours twice or thrice weekly. In others, again, two or more directors attend daily, and adjudicate promptly on all the affairs of the bank and its branches themselves; and, in these cases, the greater responsibility is taken away from the general manager—however, he is expected to know generally everything connected with the bank, give the directors all necessary information to enable them to form a correct opinion, and he is also expected to take part in their deliberations; and, with the experience he must necessarily have had to qualify him for his position, his duties will, under any circumstances, be at all times highly onerous.

Where a bank has a number of branches, I would place, as next in importance, the inspector, whose duties will also be at all times highly onerous, and often disagreeable in the extreme. He requires a most vigilant eye, should know human nature well, and be able to trace effects to their causes, and to deduce effects from causes. He must be eminently practical in all things; he must endeavour not to err in the extreme of caution or the extreme of temerity; and his tact in these particulars will, more than in any others, constitute the criterion of his merits. He must bring to the efficient discharge of his duties, patience, good temper, conscientiousness, firmness, and courtesy. He must be keen and quick in his perceptions, yet careful and wary, to enable him to form his opinions, and the reports based upon them, rapidly, yet not precipitately, lest he give a superficial view of the business of the branch to the directors, and thus injure at once the branch and the local managers.

When an inspector visits a branch, he will view everything connected with it; and to do so effectually, he must be practically acquainted with every department in all its details, to enable him to judge of the state of each department; and we may also add, that he must have a thorough knowledge of the principles and practice of banking, and of banking law to some extent. To do all this adequately, he must report on the character and circumstances of customers, on the *prima facie* correctness of securities, and all the numerous points of importance and difficulty that present themselves to his attention, and call for the expression of his opinion.

In the above, I have borrowed largely from different articles in your valuable magazine, and I shall conclude the inspector's duties with a further extract from an article on bank inspection in your magazine:—"The directors and general managers cannot overlook personally the local officers, and hence the necessity for regular inspectors to visit the branches occasionally or periodically, to make themselves acquainted (in the course of time, as their visits are from time to time repeated), first, with the character and conduct of the local officers at their post; and second, with the characters and circumstances of the customers of the bank." No doubt, as regards the



latter points, a knowledge of the customers personally can only be acquired by the inspector by pretty frequent visits, and by these visits being prolonged for some time upon each occasion, as such knowledge can only be a work of time, and at the best can be obtainable by the inspector only in an inferior degree to what the local manager obtains by constant residence among, and intimate acquaintance with, his customers. But, making the deduction, it is surprising with what accuracy a practised inspector comes to form a judgment for himself as to the customers of the branches, derived partly from what the managers tell him and partly from the impressions he obtains himself of the customers, from his occasional interviews with them upon his visits, added to the working and incidents of their banking accounts.

It is this practised skill in interpreting the character and circumstances of local officers and customers, acquired only by long experience, that forms the special difficulty and special characteristic of a first-rate inspector.

One word to directors on this subject. You will find great difficulty in selecting an inspector in every way suitable, but when you secure such an officer, do not leave him to any pecuniary temptation from another establishment; and, to enable him to perform his duties successfully, you must take care at all times, even in the smallest trifles, to impress your officer with the idea that he has your entire confidence. One of the largest and most thriving joint-stock banks in England elected their inspector to a seat at their board, and no measure was more highly applauded by the entire banking and public press at the time; and the beneficial results have fully justified all that was then said of the appointment.

Next in importance comes the manager of a branch; and devoting (as at least he ought to do) all his time and attention to the affairs of his branch, he should know fully the standing and circumstances, not only of his own customers, but of every trader in the town, and by a watchful care on this point his duties will be greatly lightened. He ought also to look after the habits, &c., of his own officers, set them an example in prudence and propriety, and see that they follow it. "Nearly every plunderer is a prodigal, and may thereby be detected.—Nearly every plunderer is needy, and should therefore be suspected."

A manager is often pressed by his customers to deviate from the established rules of business, but let him always remember that it is the duty of an inspector, when he can trace any such irregularity, to condemn clearly, and with decision, the impropriety of such a course; and if an inspector considers his own remarks insufficient, it then becomes his duty, to prevent a recurrence, to report same to the directors, that they may deal with it.

As I find my remarks have run on to a much greater length than I intended, I shall defer to another letter some advice I purposed offering to the officers subordinate to a manager, and shall conclude for the present by two observations. A banker will acquaint himself with the pecuniary circumstances of his customers, and of all persons who, though not present debtors, may become such. He must obtain all information he possibly can, and then give to the whole such interpretation as his judgment shall dictate. Here it is that his best reasoning faculties are most required. "Whilst a banker adheres to known forms of business and settled principles, Providence is guarantee for his success; but when he deviates from these, Providence is almost equally a guarantee of disaster, both personal and private."

I am, sir, your obedient servant,

AN ORIGINAL SUBSCRIBER AND CONSTANT READER.



## DRAWING BILLS AND DATING THEM FORWARD.

SIR,—If I draw a bill and in error *date it forward*, is it necessary to draw a new bill, or can I *legally* keep the one I have drawn till the date I have written, and then hand it to my bankers for discount? As there is no longer any difference in the stamp upon the currency of a bill, I presume the penalty for post dating is no longer in force.

I am, sir, your obedient servant,

A SUBSCRIBER from 1844.

[We cannot see anything under the old or new law to prevent a party from drawing bills as far forward as he pleases, and then keeping them by him until their date arrives.]

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## BANKRUPT BANKING COMPANIES.

Mr. Butler, in the House of Commons, asked the Attorney-General, whether he intended to introduce any measure to facilitate the winding up of bankrupt banking companies, to render speedy assistance to creditors, and to prevent the serious expense and loss to creditors and shareholders which existed under the present condition of the law; also, whether it would be the object of any measure he might introduce upon the subject to prevent the conflicting jurisdiction of the Courts of Chancery and Bankruptcy, so as to render the law cheap, simple, and adapted for its purpose?

The Attorney-General said, that in order to answer the questions, it was necessary to remind the House, that by an act passed in the last session of Parliament, all incorporated companies, present and future, with the exception of banking and insurance companies, had been subjected to rules for the purpose of winding up in the event of their insolvency or bankruptcy, which, he believed, would be found quite effectual for that object, and which rules, if capable of being acted upon in the case of the Royal British Bank, would have prevented the gross scandal to English jurisprudence exhibited by the proceedings in reference to that matter. Other banking companies were subjected to the winding-up Acts, which did not contain the useful provisions to be found in the act of last session—provisions which would have prevented the conflict of jurisdictions, and enabled payment of the debts of the bank to be made without the grievous oppression of every shareholder being exposed to actions at the suit of every creditor. The House would recollect, that in the last session, a bill containing excellent provisions was brought in for the purpose of facilitating arrangements between shareholders and creditors of joint-stock companies in case of bankruptcy. This House, however, after it had come down from the House of Lords, refused to pass that bill. It was his intention to consider whether the provisions in the act of last session, together with the provisions of that bill, might not be brought into one bill, for the purpose of being made available to bankrupt banking and insurance companies; and if the Lord Chancellor, under whose consideration the subject was, had no better plan, and that plan should receive the sanction of the Government, to bring in a bill for the purpose in the course of the present session.

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### THE TIPPERARY BANK.

ANOTHER meeting of creditors and depositors of the Clonmel Branch of the Tipperary Bank has taken place in the Court-house of Clonmel, and was numerously attended. As, however, the parliamentary bill has been abandoned by the promoters, the grounds of discussion were completely cut off; nevertheless there was the average amount of speaking upon the occasion, and the following resolutions were ultimately adopted:—

"That this meeting has heard, with feelings of unfeigned satisfaction, that the official manager, Mr. George M'Dowell, has pledged himself to abandon the bill deposited in the Parliament office entitled 'A Bill to facilitate the Winding-up of the Affairs of the Tipperary Joint-Stock Bank,' the provisions of which bill this meeting considers to be insidious and destructive of their rights as creditors, and partial and unjust in intention and detail."

"That this meeting being aware that the suit of *O'Flaherty v. M'Dowell* was instituted for the benefit of the creditors generally, and that the successful and speedy prosecution of the appeal against the decretal order of the Lord Chancellor of Ireland made in that suit is of vital importance to the interests of the creditors of the Tipperary Bank, and feeling that it would be unjust to cast upon the petitioners in that suit the entire expenses of prosecuting such appeal, this meeting hereby approves of subscription lists being opened in the several branch districts for the purpose of defraying the expenses of that appeal, and that such subscriptions be limited to sums not exceeding 2d. in the pound on the sums due to the several depositors."

In the Consolidated Court, the case of *Bergin v. M'Dowell* came before Mr. Justice Moore and a common jury. It was a record on a writ of *fieri facias*, founded on the judgment in this cause obtained on the 2nd of June, 1856, against the official manager of the Tipperary Bank for £460. The writ was directed to Mr. John Scully, being resident magistrate. He had pleaded that he was not a shareholder. On this plea issue was taken; and the question now came on to be tried before a jury—namely, whether Mr. Scully was a shareholder. The counsel for Mr. Scully contended that his client had not been an original shareholder, that the transfer to him was invalid, and read a transfer from James Scully to John Scully of fifty-eight shares, which he contended was illegal, as it had not been registered at the Stamp Office. The handwriting of James Scully to the transfer was proved by Mr. Rodolph Scully, solicitor. His Lordship held that there was evidence to go to the jury that Mr. Scully was a shareholder. The jury found a verdict for the plaintiff, that Mr. Scully was a shareholder.

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### GOSSIP RESPECTING FAILURES.

SOME delay appears to have occurred in the payment of a dividend from the estate of Mr. Greene, formerly banker of Lichfield. It may be in the recollection in those interested in the case, that some twelve or eighteen months ago it was stated that the Pelsall and Brownhill Collieries, the most valuable portion of Mr. Greene's estate, had been disposed of at a price which was considered equally advantageous to the creditors and the purchasers. The bargain was all but completed, when, from some cause or other not explained, it was broken off, and the collieries, awaiting a new sale, are still in the hands of the assignees. This has been a serious drawback in the immediate realisation of the estate, but it is satisfactory to know that the



pits are being worked by the official manager to a good profit, and that, in all probability, the time is not far distant when the creditors will derive a considerable benefit, even by the delay which has taken place in the sale of the property.

At Birmingham, Rice, Harris, and Sons, glass manufacturers, have been declared bankrupts, but the fact that this, like most of the other failures of the period, has arisen, not from temporary, but from long-standing causes, is indicated by the report that there are scarcely any assets to meet the liabilities, which are estimated at £20,000. It is stated that an attempt will be made to annul the fiat. A body of the creditors are desirous that business should be carried on under inspection; but, on the other hand, new creditors, who have little hope that the estate will be benefited by such a course, insist that the bankruptcy should proceed. Mr. Lane, long a well-known papier-maché manufacturer of this town, and who had also an extensive establishment in London, is now also before the Birmingham District Court of Bankruptcy. The stoppage of the Kidderminster Old Bank, although it has been followed by considerable inconvenience to some tradespeople, has not been felt to the serious extent which was anticipated. Misstatements having appeared with regard to its affairs, the following is true and derived from authority. According to the statement, the total debts are £45,000 and the assets about £33,000. The estate will, to the satisfaction of the creditors, be wound up under the Court of Chancery, and a dividend of 14s. or 15s. in the pound is anticipated. At Manchester, the balance-sheet of Messrs. Ashworth and Co. has been submitted, and presents liabilities for £50,000, and assets nominally stated at £30,000, but which are likely to fall far short of that amount. The creditors of Messrs. J. and N. Smallpage have accepted a composition of 10s. 6d. in the pound, payable in instalments at two, four, six, nine, and twelve months. Letters from Glasgow mention that the liabilities of Messrs. Begbie, Wiseman, and Co., general merchants and manufacturers, amount to £150,000, of which nearly £20,000 fall upon houses in that city. The creditors of Messrs. Jennings and Hargreaves, of Bradford, have met. An offer of 10s. 6d. in the pound was declined by the body of creditors, who, however, expressed their willingness to accept 12s. 6d., and the question stands adjourned for further consideration. It has been stated that the whole stock, nearly 40,000 pieces, would realise fully 20s. in the pound.

## **Notes of the Month.**

**SAVINGS BANKS.**—The amount of interest credited to savings banks in the United Kingdom in the year ending November 20, 1855, on the capital sums invested with the Commissioners was £1,091,226. The excess paid in by savings banks beyond the sums drawn out amounted during the year to £146,950; the excess drawn out by the banks beyond the sums paid in, to £738,977; the sums paid for purchase of stock, Exchequer bills, &c., to £7,581,953; the sums received for sale of stock, to £7,121,939; and the dividends received by the Commissioners on stock, &c., invested, to £989,407. The amount of principal money received from and interest paid and credited to the trustees of savings banks and friendly societies on November 20, 1855, was £72,689,404; the amount of principal and interest money paid to the trustees was £36,238,363; and the amount of money, principal and interest, due to the trustees by the Commissioners on the said November 20, 1855, was £36,451,041. The value of



the securities held by the Commissioners was £31,137,090. The number of depositors in savings banks on November 20, 1255, was 1,231,926, and the amount of deposits £32,248,644. Taking these together with charitable institutions and friendly societies, the number of depositors is raised to 1,304,833, and the amount of deposits to £34,263,135. There were 180,110 depositors of £1 and under; 249,876 of £5 and under; 168,638 of £10; 122,787 of £15; 75,501 of £20; 130,154 of £30; 105,614 of £40; 51,459 of £50; 86,229 of £75; 41,285 of £100; 27,076 of £125; 16,508 of £150; 25,200 of £200; and 1,489 of more than £200.

**TIPPERARY BANK LITIGATION.**—The struggle between the creditors and the shareholders having virtually terminated in favour of the former by the abandonment of the Parliamentary bill of settlement, the floodgates of litigation are to be again opened in the Dublin law courts. It appears that an intimation has been given to all parties concerned that the appeals from the decision of the Rolls' Court, including the celebrated case of *Ginger* and the other English shareholders, the hearing of which was postponed pending the fate of the bill in the House of Commons, are again set down in the Chancellor's list, and that they will be argued as soon as the state of business in that Court will permit. About the first week in March, it is thought, the Tipperary Bank drama will be reproduced in the various Courts.

**THE GREEK LOAN.**—£47,048 was issued out of the Consolidated Fund last year for the payment of that part of the interest and sinking fund of the Greek Loan guaranteed by England in 1843, making a gross total of £645,782 so paid since the year 1843. As £31,084 was repaid by the Greek Government in 1847 and 1848, a balance of £614,698 remains due.

**FAILURE OF MR. G. SICHEL.**—A meeting was held on the 17th of February of the creditors of Mr. G. Sichel, general merchant, who recently suspended, Mr. Griffiths in the chair, when a rough statement of debts and liabilities was presented by Mr. Farrington, the accountant. It was stated that sufficient time had not elapsed to prepare a balance-sheet, but that owing to pending legal proceedings it was thought necessary to consult the general body of claimants. The books, in consequence of neglect, are in great confusion; but an approximate estimate may be taken, to include debts, £49,144, and assets, £27,517. There are liabilities to the extent of £148,114, which it is asserted will run off, but no accurate information can be given. The property includes a claim upon a forest in the Asturias, the profit derivable from the erection of a patent slip at Bahia, and consignments to Australia, Egypt, South America, Germany, and various other places. A long discussion ensued, at the termination of which a proposal to pay 10s. in the pound, on condition of a letter of license being granted for two years, to be extended to three if at the end of two years 5s. shall have been paid, was put to the vote, and carried by a small majority.

**MELANCHOLY SUICIDE OF A BANK MANAGER.**—Considerable regret has been felt in the neighbourhood of Uttoxeter, by the death of Mr. George Cooper, the respected manager of the Uttoxeter bank, who committed suicide by hanging himself in a brew-house adjacent to his residence. It appeared that the unfortunate gentleman had some apprehension as to the directors' opinion of his management of the bank, which had a great effect upon his mind. All his fears as to the concerns were quite illusory, for on the completion of the audit, the accounts were found correct to a farthing. In the evening he was missed, and was found suspended in the brew-house. The coroner's jury found that the deceased destroyed himself while in an unsound state of mind.

**ROYAL BRITISH BANK.**—The Strand and Holborn branches of the Royal British Bank have been sold; the former for £6,100, and the lease of the latter for £210.



**DEFICIENCY BILLS.**—A correspondence between the Government and the Bank, just printed, shows the only advances on deficiency bills during the year to have been £2,000,000 in the quarter ending the 31st of March. In the December quarter the Bank agreed to purchase at par £2,000,000 out of the £4,000,000 of Exchequer bills authorised to be created last session, but the amount negotiated was ultimately limited to £1,000,000.

**AMERICAN FAILURES.**—A statement has appeared in one of the papers professing to give the number of failures in the United States during the past year, so far as they could be ascertained. The total is 2,705, with estimated average liabilities of £4,000 each, representing an aggregate of nearly £11,000,000. They were principally among small dealers in imported goods, and the assets on the average are supposed to have yielded about 25 per cent. More than a fourth of these failures occurred in New York.

**DRAWING ACCOUNTS AT THE BANK OF ENGLAND.**—The Bank of England have intimated that they will henceforth, in the case of such of their customers as keep their drawing accounts exclusively with them, cease to restrict their discount accommodation to bills not having more than three months to run. Long bills will therefore be received from these parties in the same manner as they are received by private bankers from their customers, at such rates as the state of the market may from time to time render expedient.

**GOLD WITHDRAWALS FROM THE BANK.**—A Parliamentary paper just published shows the bullion operations of the Bank during the past year. The amount of bar and foreign gold taken to them was £7,070,831, while the sums withdrawn were £1,967,630 of bar and foreign, and £5,632,276 of British coin, making a total of £7,599,906.

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### MERCANTILE SUSPENSIONS.

**ANNEXED** is the list of the mercantile suspensions for the past month, but, with the exception of the Greek firms, they have not been important.

**February.**—Kelly, Townshend, and Co., New York, merchants.

O. B. Fessenden, Boston, merchant.

Wetherell Brothers, Boston, merchants.

Jennings and Hargreaves, Bradford, stuff merchants.

G. Sichel, London, merchant.

C. Franghiadi and Sons, London, Greek merchants.

Vuros Brothers, London, Greek merchants.

P. Sinanides and Co., London, Greek merchants.

J. Basilio, Manchester, Greek merchant.

The estate of Messrs. Jennings and Hargreaves shows large assets, and an offer of 10s. 6d. in the pound has not been accepted. The liabilities of Messrs. O. Franghiadi and Sons are principally on acceptances for about £80,000. The connections of the firm lay between London, Liverpool, Galatz, and Alexandria. It is said that their assets show an apparent surplus, but part of them are abroad. A meeting of creditors is to be called at an early day; and if no unforeseen difficulties arise, 25 per cent. can be realised without much delay. The failure of Messrs. O. Franghiadi and Sons was followed by that of three other Greek firms—namely, Messrs. Vuros Brothers and Messrs. P. Sinanides and Co., of London, and Mr. J. Basilio, of Manchester.

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## BANK MOVEMENTS.

A copy has been received of a correspondence between Mr. Luard and the London and County Bank, of which he was lately the manager. Mr. Luard complained of the tone of a circular issued by the bank in April last, and the bank, in a letter dated the 4th of February, have replied that it was not the intention of the board to impeach his integrity.

The directors of the Bank of England have ordered a bonus of 10 per cent. on the salaries of the clerks in that establishment for the past year.

Arrangements have been made for the early payment of a first dividend of 4s. in the pound on the estate of Samuel Adams and Co., of the Hertford and Ware Bank.

## MONTHLY CHRONOLOGY.

Feb. 3.—Opening of Parliament. The royal speech read by commission.

5. Announcement of the failure of Messrs. Kelly, Townshend, and Co., of New York. The liabilities of the firm not stated.

11.—Commission of bankruptcy opened in the Birmingham District Court of Bankruptcy against Messrs. Fox, Henderson, and Co.

13.—The Chancellor of the Exchequer expounded his annual financial statement in the House of Commons, wherein he announced the reduction of the income tax from 16d. to 7d. in the pound.

16.—Announcement of the suspension of Messrs. Jennings and Hargreaves, stuff merchants, of Bradford, with liabilities estimated at £65,000.

16.—Mr. Serjeant Channell appointed one of the barons of the Court of Exchequer, in the place of Sir E. H. Alderson, deceased.

16.—Mr. James Sadleir unanimously expelled the House of Commons, on the motion of the Attorney-General for Ireland.

21.—The suspension announced of Messrs. C. Franghiadi and Sons, Greek merchants, with liabilities estimated about £80,000.

23.—Failure of Messrs. Vuros Brothers and Messrs. P. Sinanides and Co., of London, Greek Merchants; also of Mr. J. Basilio, of Manchester, Greek merchant.

23.—Notice given that the Exchequer bills falling due in March will be paid off, or renewed at the rate of 2½ per diem.

## BANKING OBITUARY.

On the 8th of February, at Lower Broughton, Manchester, Mr. J. K. B. P. Kinsman, of the Bank of England.

On the 12th of February, at his son's house, No. 5, Chepstow-villas West, Notting-hill, Mr. John Timewell Addams, for twenty-one years manager of the Gloucestershire Banking Company, Cheltenham, aged 64.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF  
FEBRUARY, 1857.

THE opening of the Parliamentary campaign, and the favourable change in the weather, appear to have produced a satisfactory influence upon financial affairs. The budget, although it has encountered opposition, has been carried by a large majority, and the measures of retrenchment adopted, with the reduction of the income tax, have increased the confi-



dence of the public. Notwithstanding some inoline to the belief that greater economy might have been exercised, the present changes must be accepted as an earnest of what the future may produce. While we are thus experiencing the benefit of diminished taxation, there is confident anticipation that the settlement of the Persian question will be shortly announced, and under these circumstances, one great cause of anxiety is allayed. The dispute with China does not create much alarm, and, although it may partially restrict trade, the result, it is thought, will eventually prove advantageous to the whole of our European mercantile relations. The Bank directors having announced their intention of making advances on stocks and also on bills not having more than six months to run, until the payment of the April dividends, at the rate of six per cent., increased animation has been witnessed in the market for public securities. But, although this is the case, there is no immediate probability of a reduction in the terms of discount, the demand, generally, being well maintained. Arrivals of gold from Australia have lately taken place to the extent of upwards of £1,000,000, in addition to supplies from America, but the entire sum has been absorbed by purchases on behalf of the Bank of France, and those engaged in securing silver from the Continent for remittance to the East and China. Fortunately, the stock of bullion in the Bank has not undergone diminution, for, notwithstanding some withdrawals have taken place, the return of coin from Ireland, Scotland, and the provinces, has been sufficient to replace the amount so as nearly to balance the total. The late failures in the Greek trade have not occasioned alarm. The private letters from Paris describe a strong revival of speculative feeling. The transactions on the Bourse have been extremely large and numerous, and there seems a general disposition to believe in the approach of another period of inflation. Money is obtainable without much difficulty at  $5\frac{1}{2}$  to  $5\frac{3}{4}$  per cent. A reduction in the rate of discount in the Bank of Frankfort from 5 to 4 per cent. had just been reported, and a downward movement was also expected at Amsterdam. The French Government were alleged to be on the point of making some new railway concessions. All the continental exchanges continue with a favourable appearance. In each of the principal cities also, the rate of discount is below the minimum in London. At Hamburg, Frankfort, and Brussels it is 4 per cent., at Amsterdam it is 5 per cent., and at Paris  $5\frac{1}{2}$  per cent.

The operations in the English funds have not been on a scale of magnitude. Latterly, however, they have increased, and prices have been comparatively buoyant. The range of fluctuation is about 2 per cent., but an advance of  $1\frac{1}{2}$  per cent. has been supported. The prospect of a settlement of the Persian question, the easier state of money, and the success of the ministry with the budget, are circumstances which have influenced business, and caused the more favourable feeling apparent. Consols are at the latest moment 93 $\frac{3}{4}$  to  $\frac{1}{4}$  for money, and 93 $\frac{3}{4}$  to 94 for the account. Notice has been given for the repayment of the Exchequer-bills due in March, or their renewal at the rate of 2 $\frac{1}{2}$ d. per diem interest. Bank and India stocks have been well maintained.

A rise of from 1 to 2 per cent. has occurred in the principal foreign securities. The amount of speculation has not been great, but the improvement has been gradual, and is now fairly sustained. Turkish, Russian, and Dutch have attracted the greatest attention, although some of the other descriptions have been more freely dealt in. With a less urgent demand for capital, and greater animation among the operators, a further recovery would take place in this department, which has for a long time been neglected.



The railway share market has at length exhibited symptoms of renewed vitality. Prices have advanced, and business generally has improved. Greater confidence has been manifested by the public as well as the dealers, and the result is a much more favourable state of business. The demand for accommodation to carry out operations, although large, is not so pressing as last month, and the rates have consequently been rather lower. It is also thought that the accounts presented at the recent meetings show more encouraging prospects, while traffic is at the same time being developed with greater regard to expenditure.

Joint-stock bank shares are better, and are, as a species of investment, again finding buyers. The inquiry in the provinces for these securities is increasing, the dividends declared, and the balance-sheets brought forward at the meetings having afforded satisfaction.

The following are the fluctuations in the English and Foreign Stocks, and Railway Shares, during the month just concluded :—

				Price on Jan 29.	Highest.	Lowest.	Price on Feb. 25.
<b>ENGLISH FUNDS.</b>							
Consols	...	...	...	93½-93¼	94	92½	93½-93¼
Exchequer bills	...	...	...	{ 5s. d. to 2s. d. }	4s. pm.	7s. dis.	{ par to 3 pm. }
<b>FOREIGN STOCKS.</b>							
Brasilian	...	...	...	102½	103½	102	102
Chilian	...	...	...	—	105½	104½	105
Dutch, 2½ per cent.	...	...	...	65	65½	64½	65
Mexican	...	...	...	21½	22½	21½	21½
Peruvian, 4½ per cent.	...	...	...	78	80½	78	79½
Russian	...	...	...	108	110	108	109
Spanish	...	...	...	40	40½	39½	40½
Turkish, 6 per cent.	...	...	...	94½	95½	92	95½
Ditto, 4 per cent.	...	...	...	102½	103½	100½ x d.	101½
<b>RAILWAY SHARES.</b>							
Brighton	...	...	...	109 x d.	112½	106½ x d.	109
Caledonian	...	...	...	60½	67½	60½	67½
Eastern Counties	...	...	...	9½	10½	9	10½
Great Northern	...	...	...	93½	94½	91½	93½
Great Western	...	...	...	66	69½	65½	69½
Lancashire and Yorkshire...	...	...	...	96½	100½	96	100½
London and North Western	...	...	...	106½	108½	105½	108½
Midland	...	...	...	82½	84½	82	84½
South Eastern	...	...	...	74½	77½	73½	77½
South Western	...	...	...	107	108½	104½ x d.	105½
York, Newcastle, and Berwick	...	...	...	83½	89½	83	89
York and North Midland	...	...	...	59½	64½	59½	65
East Indian...	...	...	...	109½	113½	107½	113
Northern of France	...	...	...	37½	37½	36½	37½

### THE GRAIN TRADE.

There has been some heaviness in the grain trade, and the markets are evidently affected by the favourable state of the weather, and the prospects of the future. A decline of from 1s. to 3s. per quarter has occurred during



the month, with only partial symptoms of recovery. The inferior condition of the samples brought forward is still complained of in most quarters, and the result is, that those in best order are readily disposed of. Business in Mark-lane has been languid, at a depreciation of about 2*s.* per quarter. The arrivals of English have not been large, but those of foreign have increased. The supply of American flour has augmented.

The *Gazette* returns for England and Wales have been :—

Week ending 1857.	Wheat. Qrs. sold.	Weekly Average. <i>s.</i> <i>d.</i>	Six Weeks' Average. <i>s.</i> <i>d.</i>	Duty.		Corresponding Six Weeks Last Year. <i>s.</i> <i>d.</i>
				<i>s.</i>	<i>d.</i>	
Jan. 24 .....	108,532	... 58 10	... 59 2	... 1	0	... 77 0
„ 31 .....	104,611	... 57 11	... 58 9	... 1	0	... 76 6
Feb. 7 .....	91,420	... 56 6	... 58 3	... 1	0	... 75 11
„ 14 .....	100,932	... 56 5	... 58 0	... 1	0	... 75 1

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grain. Qrs.	Total. Qrs.
Twenty-six weeks ended 14th Jan. ....	2,823,464	1,776,877	4,600,341
Four weeks ended 11th Feb. ....	234,667	182,647	417,314
	3,058,131	1,959,524	5,017,655

And the *weekly averages* have been :—

Twenty-six weeks ended 14th Jan.....	108,000	68,000	176,000
Four weeks ended 11th Feb.....	59,000	45,000	104,000
Less .....	49,000	23,000	72,000

#### STATE OF TRADE.

The operations in the manufacturing districts have been rather restricted, owing to the continued advance in the prices of raw materials. A healthy business, however, has been transacted, and the sales effected have been at remunerative rates. The few failures in London have not at present caused any influence in the provinces.

#### NOTICES TO CORRESPONDENTS.

We are still slightly in arrear with some of our friends, but we hope to make amends for omissions next month. Several reviews stand over. Editorial communications should, in future, be addressed to the Editor of the *Bankers' Magazine*, 8, Birchin Lane, Cornhill, although orders for the publication, remittances, &c., are still to be forwarded to Messrs. Groombridge and Sons, Paternoster Row. Correspondents will please remember that letters, to ensure punctual attention, must be forwarded by the 20th of the month.

Two or three suggestions from Correspondents shall have due consideration, and will be adopted when space will permit. Lately our pages have been over-run by the proceedings of the Royal British and Tipperary Banks.

S. S. (Denbigh).—The book is very valuable, and should be in the hands of all parties connected with banks.

D. (Edinburgh).—Thanks for the note. Your request shall have attention.

The directors of the English, Scottish and Australian Chartered Bank have declared a dividend at the rate of 5 per cent. per annum, but a report of the meeting is deferred.



THE ENGLISH FUNDS.—Daily Prices from 28th January, to 24th February, 1857, inclusive.

	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Bank Stock, div 4½ p.c. a year	317½	317½	317½	317½	317½	317½	317½	317½	317½	317½	317½	317½	317½	316	318	318	317½	316½	316	316	316	316	316	316	316	316	316
3 per Ct. Red. Anna.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
3 per Ct. Consols Ane.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
New 3 per cent. Anna.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
New 3½ per cent.	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½	76½
New 4½ per cent.	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Long Anna. Jan. 5, 1856	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½	18½
Ditto 30 years, Oct. 10, 1856	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219
Ditto 30 years, Jan. 5, 1856	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d	22d
India Stock (div. 104 p.c.)	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
Do. Bonds £1000 (div. 4 p.c.)	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
3 P. Ct. Cons. for ac. 5th Feb.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
India Stock for ac. 5th Feb.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
Ex. Bills £1000, 3d. per diam	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
Ditto. Small do.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
Ditto Advertis'd	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
Ditto Bonds A 1858 3d. p.c.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
Ditto under £1000	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
Ditto B 1859	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
Ditto under £1000	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½

JOINT-STOCK BANKS.

	London	Latest Prices
Australasia	£40 0 pd.	£99
British North American	50 0	70½
Bank of London	50 0	60
Commercial of London	100	25½
Colonial	100	25
City Bank	100	60
London and Westminster	100	47½
London Joint Stock	50	35
Oriental Bank	25	38½
Provincial of Ireland	100	60
National Bank	50	32½
National Provincial of England	100	35
South Australian	25	35
Union of Australia	25	35
Union of London	25	35
London and County	50	30
London Chartered of Australia	20	30
Eng. Scot. & Austr. Chartered	20	30
Bank of India China, & Australia	20	41
New South Wales	20	47
Bank of Egypt	25	18½
Ottoman Bank	20	15

FOREIGN STOCKS (25th February.)

Brazilian Bonds, 5 per Cent.	101
Chilian Bonds, 6 per Cent.	104
Danish 5 per Cent.	103
Mexican 3 per Cent.	21½
Peruvian 4½ per Cent.	78½
Portuguese Bonds, 4 per Cent.	85
Russian Bonds, 1852, 5 per Cent. in £ Ster.	108
Ditto, 4½ per Cent.	96
Spanish Bonds 3 per Cent.	40
Ditto, 3 per Cent. Deferred	33½
Turkish 6 per Cent.	94½
(Dividends on the above payable in London.)	
Dutch 2½ per Cent.	65
Ditto 4 per Cent. Loan	94½
French 4½ per Cent., at Paris, Feb. 24, 94½	40c.
Ditto 3 per Cent., ditto	70c.

RAILWAY SHARES.

	Contract.	Paid up	Prices
		£	Feb. 24
Caledonian	..	100	67½
Eastern Counties	..	20	101
Great Northern	..	100	93½
Great Western	..	100	65½
London and Blackwall	..	13½	61
London and Brighton	..	100	109
North-West	..	100	108½
South-West	..	100	103½
Midland	..	100	94½
South-Eastern	..	100	77½
York, Newcastle, & Berwick	..	100	84
York & North Midland	..	100	86

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

## ISSUE DEPARTMENT.

	1857. Jan. 24th.	1857. Jan. 31st.	1857. Feb. 7th.	1857. Feb. 14th.
Notes issued.....	£ 23,941,695	£ 23,937,300	£ 23,767,500	£ 24,054,270
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	3,459,900	3,459,900	3,459,900	3,459,900
Gold coin and bullion .....	9,466,695	9,462,300	9,292,500	9,579,270
Silver bullion .....	—	—	—	—
	23,941,695	23,937,300	23,767,500	24,054,270

## BANKING DEPARTMENT.

	1857. Jan. 24th.	1857. Jan. 31st.	1857. Feb. 7th.	1857. Feb. 14th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,389,140	3,401,066	3,614,949	3,522,742
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts) ....	4,122,921	5,415,624	6,554,253	7,027,607
Other deposits .....	9,985,005	10,539,434	9,598,808	9,774,058
Seven day and other bills .....	849,836	806,940	788,171	790,641
	22,899,902	34,707,594	35,007,181	35,731,048
Government securities (including Dead Weight Annuities) ....	11,569,431	11,557,114	11,524,457	11,545,000
Other securities .....	15,829,154	17,708,739	17,091,683	18,247,704
Notes.....	4,851,730	4,764,063	4,894,293	5,257,855
Gold and silver coin .....	649,587	677,676	686,748	680,390
	22,899,902	34,707,594	35,007,181	35,731,048

## The Exchanges.

	Jan. 16th.	Jan. 23rd.	Jan. 30th.	Feb. 6th.
Amsterdam, short ..	11 14	11 14½	11 14	11 14½
Ditto 3 months..	11 17½	11 17½	11 17½	11 17½
Rotterdam, ditto ..	11 17½	11 17½	11 17½	11 17½
Antwerp, ditto ..	25 32½	25 32½	25 27½	25 30
Brussels, ditto .....	25 32½	25 32½	25 27½	25 30
Hamburg, ditto.....	13 6½	13 6½	13 6½	13 6½
Paris, short .....	25 25	25 25	25 20	25 23½
Paris, 3 months .....	25 65	25 65	25 62½	25 62½
Marseilles, ditto .....	25 67½	25 67½	25 65	25 69½
Frankfort, ditto .....	118½	118½	119	119½
Vienna, ditto.....	10 42	10 40	10 36	10 33
Trieste, ditto.....	10 43	10 42	10 38	10 35
Petersburgh, ditto ..	87½	87½	87½	87½
Madrid, ditto .....	49	49	49	49
Cadix, ditto .....	49½	49½	49	49½
Leghorn, ditto .....	29 57½	29 52½	29 45	29 45
Genoa, ditto .....	25 75	25 75	25 72½	25 70
Naples, ditto .....	43	42½	42½	42½
Palermo, ditto .....	129	129½	129	129½
Messina, ditto .....	129½	129½	129½	130
Lisbon, ditto .....	51½	51½	51½	51½
Oporto, ditto .....	51½	51½	51½	51½
Rio Janeiro 60 dya'dts	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£ 3 17 9	£ 3 17 9	£ 3 17 9	£ 3 17 9
(Standard) .....	0 0 0	0 0 0	0 0 0	0 5 0½
Mexican Dollars .....	0 0 0	0 0 0	0 0 0	0 0 0
Silver in Bars (Stand.)..	0 0 0	0 0 0	0 0 0	0 0 0



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32, extracted from the LONDON GAZETTES.

## PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Dec. 27.	Jan. 2.	Jan. 10.	Jan. 17.
	£	£	£	£	£
1 Andover Bank .....	17,751	11,693	12,608	10,827	11,845
2 Ashford Bank .....	11,849	9,992	10,668	11,746	11,883
3 Aylesbury Old Bank .....	48,461	30,767	31,199	32,350	31,695
4 Baldock and Biggleswade Bank ...	37,223	30,422	29,840	28,248	29,581
5 Barnstaple Bank .....	17,182	8,652	8,689	8,783	10,399
6 Basingstoke and Odiham Bank ...	24,730	19,234	19,915	20,606	21,605
7 Bedford Bank .....	34,218	34,460	33,411	34,013	33,793
8 Bewdley Bank .....	18,597	10,276	10,003	10,521	10,308
9 Bicester and Oxfordshire Bank ...	27,090	13,458	13,802	14,200	13,662
10 Birmingham Bank—Attwoods & Co.	23,695	22,192	22,144	23,315	24,290
11 Birmingham and Warwickshire Bk.	18,132	9,370	8,885	9,379	9,444
12 Blandford Bank .....	9,723	6,664	6,824	7,357	7,711
13 Boston Bank—Garfit and Co. ....	75,069	69,788	67,880	69,928	72,104
14 Boston Bank—Gee and Co. ....	15,161	14,816	15,016	14,892	14,530
15 Bridgewater Bank .....	10,028	6,838	7,249	7,666	7,767
16 Bristol Bank .....	48,277	35,126	34,641	36,774	35,973
17 Broseley and Bridgenorth Bank ...	26,717	16,850	17,184	17,207	17,898
18 Buckingham Bank .....	29,557	20,867	21,484	22,745	23,321
19 Bury and Suffolk Bank .....	82,362	67,148	68,609	70,474	70,498
20 Banbury Bank .....	43,457	35,420	34,102	33,711	33,322
21 Banbury Old Bank .....	55,153	28,708	27,860	27,617	27,075
22 Bedfordshire Leighton Buzzard Bk.	36,829	33,824	33,454	33,434	33,192
23 Birmingham Bk.—Lloyds & Co. ...	38,816	27,141	27,484	30,548	33,208
24 Bradford Old Bank .....	12,676	10,627	9,716	10,487	11,610
25 Brecon Old Bank .....	68,271	60,473	62,687	61,954	63,538
26 Brighton Union Bank .....	33,794	18,997	20,245	22,378	22,688
27 Burlington and Driffield Bank .....	12,745	11,041	11,883	13,282	12,876
28 Bury St. Edmund's Bank .....	3,201	2,960	2,756	2,902	2,625
29 Cambridge Bk.—Mortlock & Co.	25,744	14,869	16,025	16,820	15,751
30 Cambridge and Cambridgeshire Bk.	49,916	49,456	48,854	48,064	49,200
31 Canterbury Bank .....	33,671	29,025	29,546	30,860	31,258
32 Carmarthen Bank .....	23,597	22,048	21,798	23,459	23,970
33 Chertsey Bank .....	3,436	2,614	2,879	2,938	2,580
34 Colchester Bank .....	25,082	16,341	16,775	17,270	17,694
35 Colchester and Essex Bank .....	48,704	32,237	32,545	34,945	36,807
36 Cornish Bank—Tweedy & Co. ...	49,869	48,340	48,314	48,177	46,995
37 Coventry Bank .....	12,045	6,890	7,230	7,603	7,820
38 City Bank, Exeter .....	21,527	19,090	19,459	20,125	20,106
39 Craven Bank—Alcocks & Co. ...	77,154	65,560	65,173	66,356	67,619
40 Chepstow Old Bank .....	9,387	8,783	9,252	8,662	8,450
41 Derby Bank—Messrs. Evans .....	13,332	8,550	9,522	10,000	10,919
42 Derby Bank—Smith and Co. ....	41,304	35,492	34,232	35,515	36,200
43 Derby Old Bank .....	27,237	24,516	26,570	27,726	28,055
44 Devises and Wiltshire Bank .....	20,674	8,772	8,484	8,277	8,270
45 Diss Bank .....	10,657	10,292	10,352	10,374	10,283
46 Doncaster Bank and Retford Bank	77,400	65,735	66,617	69,344	71,332
47 Darlington Bank ..	86,218	77,335	77,790	79,520	80,610
48 Devonport Bank .....	10,664	8,628	9,018	9,590	9,844
49 Dorchester Old Bank .....	48,807	46,003	46,499	48,680	49,307
50 East Cornwall Bk.—Robins & Co.	112,280	94,701	98,000	99,193	99,030
51 East Riding Bank—Bower & Co.	53,392	48,287	51,474	54,882	52,889
52 Essex Bk. & Bishops Stortford Bk.	69,637	42,053	43,617	46,253	46,363
53 Exeter Bank .....	37,894	25,146	26,625	28,624	29,216
54 Faringdon Bk. & Bk. of Wantage	8,977	7,699	7,469	8,253	8,128
55 Farnham Bank .....	14,202	11,473	12,016	11,987	12,117
56 Faversham Bank .....	6,681	5,986	6,065	6,687	6,349
57 Godalming Bank .....	6,322	4,456	4,512	4,482	4,260



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Dec. 27.	Jan. 2.	Jan. 10.	Jan. 17.
	£	£	£	£	£
58 Guildford Bank .....	14,524	12,576	12,714	13,178	13,411
59 Grantham Bank—Hardy and Co.	30,372	28,447	28,628	30,468	31,162
60 Hastings Old Bank .....	38,038	29,715	29,575	31,635	32,799
61 Hereford City and County Bank..	22,364	15,216	15,490	15,805	16,213
62 Hull & Kingston-upon-Hull Bank	19,979	19,657	20,410	20,637	18,984
63 Huntingdon Town & County Bank	56,591	51,789	51,682	52,860	53,097
64 Harwich Bank .....	5,778	5,158	5,038	5,255	5,233
65 Hertfordshire, Hitchin Bank .....	38,764	32,205	32,640	32,252	32,667
66 Hereford, Ross, & Archenfield Bk.	27,625	18,789	17,257	19,459	20,934
67 Ipswich Bank .....	21,901	21,316	21,838	22,404	21,650
68 Ipswich & Needham Market Bank	80,699	66,086	67,460	67,828	70,146
69 Kentish Bank—Mercer & Co. ...	19,895	13,133	12,632	14,655	16,023
70 Kingston and Radnorshire Bank...	26,050	25,146	26,948	25,864	25,803
71 Knaresborough Old Bank .....	21,825	20,427	20,549	20,712	20,743
72 Kendal Bank .....	44,663	39,428	39,202	40,884	39,407
73 Kettering Bank .....	9,192	8,771	8,779	9,394	9,555
74 Lane End Staffordshire Bank ...	5,624	5,283	5,260	5,275	5,314
75 Leeds Bank .....	53,357	49,630	48,401	53,143	58,752
76 Leeds Union Bank .....	37,459	36,712	36,886	37,053	38,520
77 Leicester Bank .....	32,322	29,080	28,521	28,889	29,403
78 Lewes Old Bank .....	44,836	26,107	26,982	27,880	28,213
79 Lincoln Bank .....	100,342	86,100	86,685	89,997	93,272
80 Llandoverly Bank & Llandilo Bank	32,945	22,629	22,099	20,478	19,573
81 Loughborough Bank .....	7,359	6,957	7,066	7,183	7,252
82 Lymington Bank .....	5,038	3,005	3,315	3,671	3,738
83 Lynn Regis and Lincolnshire Bank	42,817	36,414	37,648	39,776	39,121
84 Lynn Regis and Norfolk Bank ...	13,917	12,890	12,241	13,139	12,706
85 Macclesfield Bank .....	15,760	14,369	15,386	15,858	15,555
86 Manningtree Bank .....	7,692	1,918	2,120	2,892	2,935
87 Merionethshire Bank .....	10,906	9,531	8,933	8,349	8,125
88 Miners' Bank .....	18,688	19,048	18,171	18,357	17,321
89 Monmouthshire Agricultural and Commercial Bank .....	29,335	25,382	25,715	29,139	26,976
90 Monmouth Old Bank .....	16,385	14,893	14,345	14,037	13,769
91 Newark Bank .....	28,788	24,646	24,461	24,162	25,063
92 Newark and Sleaford Bank .....	51,615	50,450	49,875	52,500	51,855
93 Newbury Bank .....	36,787	21,006	21,209	21,546	21,245
94 Newmarket Bank .....	23,098	20,125	20,618	20,260	21,125
95 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	48,703	50,485	48,979	49,159
96 Norwich and Norfolk Bank .....	99,665	97,944	100,525	102,124	102,960
97 Nottingham, Nottinghamshire ...	10,866	10,736	10,615	10,710	10,894
98 Nuneaton Bank .....	5,898	3,120	3,250	3,416	3,681
99 Naval Bank, Plymouth .....	27,321	18,105	19,477	21,594	22,473
100 New Sarum Bk.—Everett & Smith	15,659	8,093	8,245	8,180	8,589
101 Nottingham Bank .....	31,047	29,154	31,145	31,258	31,320
102 Oswestry Bank .....	18,471	10,136	9,892	11,664	11,382
103 Oxford Old Bank .....	34,391	31,436	31,712	30,891	31,028
104 Old Bank, Tonbridge .....	13,183	8,631	9,017	9,311	9,050
105 Oxfordshire Witney Bank .....	11,852	9,710	9,862	10,605	10,605
106 Pease's Old Bank, Hull .....	48,807	47,244	47,808	48,111	47,896
107 Penzance Bank .....	11,405	11,592	10,430	10,287	10,082
108 Peterborough Bank—Yorke & Co.	12,545	8,372	8,203	9,392	10,276
109 Pembrokehire Bank .....	12,910	12,472	12,775	12,996	12,830
110 Reading Bank—Simmonds & Co.	37,519	29,648	30,347	30,672	30,487
111 Reading Bk.—Stephens & Blandy	43,271	27,726	28,857	29,620	29,799
112 Richmond Bank, Richmond .....	6,880	6,468	6,166	6,750	6,737
113 Rochdale Bank .....	5,590	3,773	3,823	3,940	4,105
114 Rochester, Chatham, & Strood Bk.	10,480	7,696	8,114	8,042	7,565
115 Royston Bank .....	16,393	13,924	14,246	14,237	14,424
116 Rugby Bank .....	17,250	7,739	8,458	9,186	9,045



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Dec. 27.	Jan. 1.	Jan. 10.	Jan. 17.
	£	£	£	£	£
117 Rye Bank .....	29,864	13,208	13,472	13,841	14,056
118 Ross Old Bank, Herefordshire ...	4,420	4,298	4,415	4,014	4,413
119 Saffron Walden & North Essex Bk.	47,646	31,893	33,086	34,916	34,416
120 Salop Bank .....	22,338	12,458	13,280	14,545	14,798
121 Scarborough Old Bank .....	24,813	22,049	22,204	23,271	24,364
122 Shrewsbury Old Bank .....	43,191	37,565	36,745	39,641	40,545
123 Sittingbourne and Milton Bank...	4,789	2,322	2,294	2,453	2,767
124 Southampton Town & County Bk.	18,589	11,002	12,628	13,977	12,905
125 Southwell Bank .....	14,744	11,876	11,244	11,911	12,099
126 Southampton and Hampshire Bk.	6,770	3,084	3,168	3,261	3,393
127 Stone Bank .....	9,154	340	340	340	340
128 Stafford Old Bank .....	14,166	11,378	11,226	12,281	12,910
129 Stamford and Rutland Bank .....	31,858	27,863	28,423	30,308	30,862
130 Shrewsbury and Welsh Pool Bank	25,336	23,523	23,113	24,462	24,857
131 Taunton Bank .....	29,799	25,379	24,873	25,150	25,216
132 Tavistock Bank .....	13,421	7,800	8,366	10,232	8,903
133 Thornbury Bank .....	10,026	8,989	9,003	9,596	9,217
134 Tiverton and Devonshire Bank...	13,470	10,877	11,463	11,618	11,603
135 Thrapstone and Kettering Bank...	11,559	11,202	11,134	11,843	11,655
136 Tring Bank and Chesham Bank...	13,531	11,683	12,220	13,025	13,904
137 Towcester Old Bank .....	10,801	6,976	6,874	7,739	7,607
138 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	10,692	10,670	11,157	11,425
139 Union Bank, Cornwall .....	17,003	16,620	17,398	17,002	14,843
140 Uxbridge Old Bank .....	25,136	12,998	13,275	13,574	13,989
141 Wallingford Bank .....	17,064	8,313	8,446	8,560	8,458
142 Warwick and Warwickshire Bank	30,504	22,751	23,266	24,329	25,982
143 Wellington Bank, Somerset .....	6,528	3,440	3,447	3,828	3,718
144 West Eiding Bank .....	46,158	42,459	43,821	46,010	47,363
145 Whitby Old Bank .....	14,258	14,020	14,275	14,486	14,100
146 Winchester, Alresford & Alton Bk.	25,892	17,179	16,581	18,387	18,882
147 Weymouth Old Bank .....	16,461	14,655	15,310	16,154	16,440
148 Wirksworth and Derbyshire Bk.	37,602	35,003	35,849	35,932	36,490
149 Wisbeach and Lincolnshire Bank	59,713	53,743	53,999	53,685	53,220
150 Wiveliscombe Bank .....	7,602	6,768	6,616	6,819	6,623
151 Wolverhampton Bk.—Goodricke	14,180	11,327	11,446	11,394	11,300
152 Worcester Bank .....	15,463	4,349	4,381	5,053	5,207
153 Worcester Old Bank .....	87,448	60,311	58,422	60,665	62,006
154 Wolverham. Bk.—R. & W. Fryer	11,867	11,009	10,300	10,540	11,153
155 Yarmouth and Suffolk Bank .....	53,060	50,253	50,663	51,009	51,115
156 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,966	13,078	13,290	12,895
157 York Bank .....	46,387	42,581	42,037	43,637	45,941

## JOINT STOCK BANKS.

1 Bank of Westmoreland .....	12,225	7,614	7,214	7,065	6,952
2 Barnaley Banking Company .....	9,563	8,666	8,966	9,180	9,190
3 Bradford Banking Company .....	49,292	47,148	47,605	49,468	50,388
4 Bilston District Banking Company	9,418	9,669	9,710	9,190	7,699
5 Bank of Whitehaven .....	32,681	27,307	27,553	28,629	30,475
6 Bradford Commercial Banking Co.	20,084	18,080	17,690	18,308	19,201
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	54,725	54,545	56,841	52,920



**WEEKLY RETURNS OF BANKS OF ISSUE.**

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Dec. 27.	Jan. 3.	Jan. 10.	Jan. 17.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	9,269	9,223	9,837	9,791
9 Cumberland Union Banking Co. ...	35,395	35,061	35,390	36,777	33,780
10 Coventry and Warwickshire Bk. Co.	28,734	25,376	25,545	27,130	27,456
11 Coventry Union Banking Company	16,251	14,594	15,026	16,690	16,694
12 County of Gloucester Banking Co.	144,352	109,603	111,499	116,337	117,980
13 Carlisle & Cumberland Banking Co.	25,610	22,570	21,649	23,696	24,383
14 Carlisle City and District Bank ...	19,972	18,698	18,722	19,605	20,612
15 Dudley & West Bromwich Bk. Co.	37,696	34,860	35,627	38,216	39,656
16 Derby and Derbyshire Banking Co.	20,093	20,385	19,999	19,789	18,766
17 Darlington Dist. Joint Stock Bk. Co.	26,134	21,605	20,465	21,609	21,956
18 East of England Bank .....	25,025	24,076	25,463	25,752	24,230
19 Gloucestershire Banking Company	155,920	144,488	146,419	148,534	150,173
20 Halifax Joint Stock Bank .....	18,534	16,997	16,716	16,681	17,450
21 Huddersfield Banking Company ...	37,354	32,978	31,746	33,740	37,556
22 Hull Banking Company .....	29,333	26,973	27,847	27,927	29,571
23 Halifax Commercial Banking Co.	13,733	11,492	11,983	13,415	14,244
24 Halifax & Huddersfield Union Bk.	44,137	38,025	38,530	40,585	45,479
25 Helston Banking Company .....	1,503	1,514	1,480	1,460	1,440
26 Herefordshire Banking Company...	25,047	19,771	18,733	18,533	19,536
27 Knareborough and Claro Bk. Co.	28,059	26,871	26,077	27,549	27,018
28 Kingsbridge Joint Stock Bank ....	3,952	3,261	3,174	3,139	3,265
29 Lancaster Banking Company .....	64,311	54,563	52,203	57,748	57,760
30 Leeds Banking Company .....	23,076	22,755	23,186	23,336	22,901
31 Leicestershire Banking Company...	86,060	72,785	73,505	75,761	75,996
32 Lincoln and Lindsey Banking Co.	51,620	48,056	48,738	51,771	52,723
33 Leamington Priore and Warwick- shire Bank .....	13,875	9,172	9,681	10,882	12,090
34 Ludlow and Tenbury Bank .....	10,215	8,111	8,411	9,734	10,092
35 Moore & Robinson's Notts. Bank...	35,813	32,979	34,679	33,698	33,388
36 Nottingham and Notts. Banking Co.	29,477	26,985	27,025	27,598	28,009
37 National Provincial Bk. of England	442,371	421,385	424,435	438,754	442,903
38 North Wilts Banking Company ...	63,939	38,756	37,960	39,358	40,672
39 Northamptonshire Union Bank ...	84,356	77,599	77,588	79,349	84,229
40 Northamptonshire Banking Co. ...	26,401	20,512	20,048	20,522	21,448
41 North and South Wales Bank .....	63,951	54,821	53,122	53,503	54,290
42 Pare's Leicestershire Banking Co...	59,300	48,041	48,469	51,007	51,855
43 Saddleworth Banking Company ...	8,122	1,959	1,833	1,827	1,815
44 Sheffield Banking Company .....	35,843	37,393	35,573	34,672	34,680
45 Stamford, Spalding & Boston Bk. Co.	55,721	49,897	49,348	51,257	52,437
46 Stuckey's Banking Company .....	356,976	344,810	348,750	361,845	361,568
47 Shropshire Banking Company .....	47,951	44,452	45,449	44,618	45,445
48 Stourbridge and Kidderminster Bk.	56,830	56,784	56,840	57,119	55,508
49 Sheffield and Hallamshire Bank ...	23,524	24,183	20,965	20,751	23,272
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,727	51,127	52,254	50,983
51 Swaledale and Wensleydale Bank..	54,372	51,241	50,877	50,387	49,131
52 Wolverhampton & Staffordsh. Bk..	35,378	32,060	30,527	30,186	31,090
53 Wakefield and Barnsley Union Bk.	14,604	12,648	12,272	12,867	13,440
54 Whitehaven Joint Stock Bank ...	31,916	26,247	26,235	26,225	26,805
55 Warwick and Leamington Bk. Co.	37,124	28,498	27,913	30,662	30,304
56 West of England and South Wales District Bank .....	83,535	73,349	72,186	73,922	72,391
57 Wilts & Dorset Banking Company	76,162	75,274	75,581	78,193	74,812
58 West Riding Union Banking Co....	34,029	29,069	28,400	30,465	33,377
59 Whitechurch and Ellesmere Bk. Co.	7,475	5,587	5,660	5,905	6,208
60 Worcester City and County Bk. Co.	6,848	5,062	4,944	5,525	5,653
61 York Union Banking Company ...	71,240	70,140	71,753	72,362	69,838
62 York City and County Banking Co.	94,695	88,272	90,175	92,810	92,612
63 Yorkshire Banking Company .....	122,532	113,795	113,400	120,145	129,155



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	Dec. 27.	Jan. 3.	Jan. 10.	Jan. 17.
158 Private Banks.....	£4,513,092	£3,631,851	£3,670,073	£3,784,224	£3,823,744
63 Joint-Stock Banks..	3,303,357	2,991,543	2,993,454	3,092,651	3,126,141
221 Totals .....	7,816,449	6,623,394	6,663,527	6,876,875	6,949,885

*Average Weekly Circulation of these Banks for the month ending January 17th:—*

Private Banks .....	£3,727,473
Joint-Stock Banks .....	3,050,947

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above £6,778,420*

On a comparison of the above with the Returns for the month ending 20th December last, it shows:—

An increase in the notes of Private Banks, of .....	£27,752
An increase in the notes of Joint-Stock Banks, of .....	6,002

Total increase on the month..... £33,804

And, as compared with the month ending January 19th, 1856, it shows—

A decrease in the notes of Private Banks, of .....	£185,781
A decrease in the notes of Joint-Stock Banks, of .....	29,926

Total decrease, as compared with the same period of last year .....

The following is the comparative state of the circulation, as regards the fixed issues—

The Private Banks are below their fixed issues.....	£785,619
The Joint-Stock Banks are below their fixed issues.....	222,410

Total below the fixed issues .....

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 17th day of January, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	2,101,025	1,466,325	3,567,350	801,247
Provincial Bank of Ireland	927,667	423,952	696,604	1,120,556	498,738
Belfast Bank .....	281,611	80,094	411,252	491,346	328,201
Northern Bank .....	243,440	44,861	253,390	298,251	132,053
Ulster Bank .....	311,079	68,767	437,041	505,808	249,342
National Bank of Ireland...	852,269	549,728	635,667	1,185,296	773,215
TOTALS (Irish Banks) ...	6,354,494	3,268,427	3,900,279	7,168,607	2,782,796

### SCOTCH BANKS.

Bank of Scotland .....	300,485	135,151	265,616	400,767	189,892
Royal Bank of Scotland ...	183,000	90,656	154,922	245,578	109,067
British Linen Company ....	438,024	164,162	310,472	474,635	147,686
Commercial Bk. of Scotland	374,880	161,041	319,868	480,909	177,396
National Bank of Scotland..	297,024	115,551	220,160	335,711	99,567
Union Bank of Scotland and Banking Com. in Aberdeen	415,690	171,499	351,392	522,891	184,094
Edinburgh & Glasgow Bk...	136,657	61,349	93,150	154,499	58,647
Aberdeen Town and Co. Bk.	70,133	39,577	73,909	113,486	56,967
North of Scotland Bk. Co...	154,319	91,468	106,380	197,848	81,563
Dundee Banking Company	33,451	13,058	26,423	39,482	18,113
Eastern Bank of Scotland...	33,636	15,535	26,333	41,868	19,024
Western Bank of Scotland..	337,938	140,176	339,159	479,335	205,312
Clydesdale Banking Co. ...	104,028	48,877	104,478	153,356	85,463
City of Glasgow Bank .....	72,921	126,947	177,513	304,461	296,400
Caledonian Banking Co. ...	53,434	22,581	45,409	67,990	27,370
Perth Banking Company ...	38,656	17,228	34,999	52,228	30,019
Central Bank of Scotland...	42,933	20,786	39,347	60,134	28,173
TOTALS (Scotch Banks)...	3,087,209	1,435,642	2,689,530	4,125,178	1,814,753



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO JANUARY 17, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 17th January, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks .. £7,168,607  
Average Circulation of the Scotch Banks 4,125,178

Total Average Circulation of these Banks for the past month ..... £11,293,785

On comparing these amounts with the Returns for the month ending 20th December last, they show—

Decrease in the Circulation of Irish Banks £138,696  
Decrease in the Circulation of Scotch Banks 224,205

Total decrease on the month ..... £363,901

And, as compared with the month ending January 19th, 1856, they show—

Increase in the Circulation of Irish Banks £198,417  
Decrease in the Circulation of Scotch Banks 17,611

Total increase on the year ..... £180,806

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows :—

6 Banks in Ireland, allowed to issue .. £6,354,494  
18 Banks in Scotland, allowed to issue .. 3,087,309

24 Banks in all, allowed to issue ..... £9,441,703

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are above their fixed issue .. £814,113  
Scotch Banks are above their fixed issue 1,037,969

Total above the fixed issue ..... £1,852,082

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows :—

Gold and Silver held by the Irish Banks £2,783,796  
Gold and Silver held by the Scotch Banks 1,814,783

Total of Gold and Silver Coin ..... £4,597,549

Being an increase of £160,109 on the part of the Irish Banks and a decrease of £14,482 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO JANUARY 17, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 17th January, 1857 :—

Circulation of Notes for the Month ending 17th January, as compared with the previous month :—

	Dec. 20.	Jan. 17.	Increase.	Decrease.
Bank of England .....	£18,978,935	£19,193,100	£219,165	—
Private Banks .....	3,699,731	3,737,473	37,733	—
Joint-Stock Banks .....	3,044,895	3,050,947	6,052	—
Total in England .....	25,718,561	25,971,520	243,969	—
Scotland .....	4,349,383	4,125,178	—	£224,205
Ireland .....	7,307,303	7,168,607	—	138,696
United Kingdom .....	£37,375,237	£37,265,305	£149,969	£363,901

The comparison of the month ending January 19th, 1856, with the month ending January 17th, 1857, shows an *increase* in the Bank of England circulation of £103,253, a *decrease* in Private Banks of £185,781, and a *decrease* in Joint-Stock Banks of £29,926; being a total *decrease* in England of £112,454; while in Scotland there is a *decrease* of £17,611; and in Ireland an *increase* of £198,417. Thus showing that the month ending 17th January, as compared with the same period last year, presents a *decrease* of £112,454 in England, and an *increase* of £68,352 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending January 17th, gives an aggregate amount in both departments of £10,176,027. On a comparison of this with the Return for the month ending December 20th, there appears to be a *decrease* of £349,959; and a *decrease* of £373,802 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 17th January, was £4,597,549; being an *increase* of £145,677 as compared with the return of the previous month, and an *increase* of £448,597 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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APRIL, 1887.

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## PARLIAMENTARY REPRESENTATION.

ALTHOUGH a general election realises in the most direct and practical form the theory of self-government, which is the basis of the British constitution, it is doubtful whether even a small minority of the electoral body, when they are called upon to exercise the right, take into account the consequence of their votes in the formation of the legislature and the executive, by whom the actual work of law making and law administration is to be carried out. Party bias—strong personal feeling—pecuniary interest—anticipations of immediate or future personal advantages—and a host of other considerations, interpose to pervert the judgment and to distract the mind from the one great consideration,—Is the candidate who asks us for our vote the best fitted by previous occupation, station, experience, and ability, to represent that particular interest with which we are associated? In legislating for a nation like this, composed of so many—and at times apparently, but only apparently—conflicting interests, it is essential that all should be freely represented. Agriculture and land should be represented by agriculturists and land-owners, or, at all events, by men practically conversant with the culture of the soil and the relations of landlord and tenant; while trade and commerce should be represented by men who have turned their attention and devoted their energies to mercantile pursuits, and whose success in those pursuits and the high character they have won prove on the one hand the correctness of their general views, and on the other the honour and probity with which those views have been carried into operation. To select a man as the representative of a mercan-



tile constituency because he belongs to an aristocratic family, because he is a large land-owner, or because he has attained high distinction as a lawyer, an author, or military commander, is an anomaly. It is equally absurd to return as the member for an agricultural county a man whose knowledge extends scarcely beyond the precincts of the counting-house or the walls of the factory. Yet we see these mal-appropriate unions consummated continually.

Probably, the class which finds most favour with electors is the lawyers. Agricultural, commercial, or manufacturing—all constituencies seem to rest satisfied if they can secure the services of a barrister as their representative—as though it were as essential that their interests should be watched and advocated by a lawyer in Parliament, as it is that they should have a barrister to plead for them in the Court of Chancery or the Queen's Bench. That men who have attained to high standing and great eminence at the bar should be in Parliament, is always desirable. Their learning, their varied knowledge, ready perception, and, in general, sound judgment, acquired by long and extensive practice in the profession, will always be of the highest value in an assembly like the House of Commons, as tending to correct decisions and satisfactory legislation. But these will under any circumstances be sought out, and if they have the political turn, always find constituencies to whose favour their legal reputation will be a ready passport. The public will be ever willing to appreciate and acknowledge the advantage which their presence in the legislature and their active co-operation in the business of law-making necessarily confers. That, however, is a very different matter from the House of Commons to the extent of one-fifth or one-sixth of its entire members, as has been generally the case of late, being made the refuge where the respectable mediocrity or notorious incompetency of the law may find profit and occupation as the reward of subserviency to the minister of the day, or the never-failing party vote which aids in making the minister of the morrow. In the Parliament whose existence has been so suddenly closed, that the legal element prevailed to an undue extent, very few even amongst the legal profession will be bold enough to deny. It is possible also that the military element was somewhat too conspicuous—though, when the vast number of individuals composing our two great military services is considered, and it is farther remembered that they have no voice of their own in the election of those who make the laws they are bound to obey, in this respect being placed in a position of disadvantage as compared with the rest of their fellow-citizens—



it may be questionable whether it would be altogether just to diminish the number of representatives connected with the army and navy.

But a far more serious consideration is the representation of the great mercantile and trading interests. On the prosperity and progress of these the maintenance and extension—which in this case are synonymous, since not to progress is to retrograde—of the national power depends. However important, therefore, is the protection of representation in the other spheres of industrial and wealth-getting occupation, it is for national purposes infinitely more so in that of manufactures and commerce. This is a matter which in the general election now taking place it is to be hoped the electoral body have borne and will bear in mind. There would be no deficiency of well-qualified and energetic commercial men to represent commerce, if they were invited and encouraged to come forward; and there is no reason whatever, but the vanity or thoughtlessness of the constituencies themselves, why every borough in the kingdom where manufactures or commerce is carried on to any extent should not have for its representatives in the Legislature men who belong to, and have distinguished themselves in, those vocations. The suddenness of the recent dissolution of Parliament, and the rapidity with which the appeal to the country has followed upon it, may possibly render these remarks nugatory in regard to any immediate practical effect, but addressed as they are to mercantile circles almost exclusively, they may, nevertheless, furnish a hint which may be useful in future electoral changes.

Another subject which the general election forces upon our attention is, the condition of political parties. Sir Robert Peel's ever-memorable *coup d'état*, in which, casting to the winds the principles upon which he had risen to power, he destroyed public confidence in public men, produced a state of chaos which has continued ever since. The Whigs, by their conduct upon that long-contested question of Free Trade or Protection, had already induced doubts in the public mind whether such a thing as consistency of principle formed any part of their political creed. Pledged as they were, quite as deeply as the Tories, to protection, their budget of 1841, in which they made their first bid in the direction of free trade, was regarded as a violation of faith by many of their adherents, and produced an alienation between the great Whig landocracy and the Whig Radicals, of whom Lord John Russell was then the recognised leader, the remembrance of which has never been wholly eradicated from the memory of either side. The immediate result was to swell the ranks of the Tories, by the accession of men like the late Sir F.



Burdett, who were Radical by profession, but only when Radicalism steered clear of what they regarded as their own personal interests, and to bring in Sir Robert Peel at the head of an overwhelming majority, to stand as a bulwark against the advance of the new doctrine, which, under the zealous apostleship and systematic teaching of Cobden, Bright, and their numerous coadjutors, were beginning to make formidable way in the minds of all classes. The sudden conversion of him who was regarded at that time as the only statesman combining great sagacity with high and chivalrous principle, to that doctrine, and the unscrupulous use he made of the powers which had been placed in his hands, for the very contrary purpose—though, perhaps, like the more recent *coup d'état* in France, justified by the end—completed what the Whigs had begun. From that time to the present, Parliament has been divided not into two great parties as theretofore, each having an understood head and united system of action, based on well-defined and recognised political principles, propounded conscientiously for the public good and the enhancement of the national prosperity, however mistakenly, and however much each might differ from the other, but into some half-dozen or more sections of parties, neither of them strong enough to effect any great object of itself, but coalescing from time to time with any or all, or separating from all other sections, according as their views at the moment may agree or are opposed. Of these sections, the only one that can boast of anything like the numerical strength of a party is the Tories. But they are still far too weak in numbers to be enabled to undertake anything without aid from those with whom they are habitually or occasionally in hostile collision, while in debating power they are far below either of the others.

The strongest of these political divisions in this latter respect, as well perhaps as in administrative capability, is unquestionably that which is the least potent in numbers—the Peelites, whose temporary junction with Lord John Russell and the Whigs contributed to the formation of a Government which, by the tolerance of its adversaries rather than by its own inherent strength, endured for a season. Lord Palmerston's Government, which succeeded, has required and obtained even more of forbearance, because of its greater numerical weakness, and that forbearance having been generally and, it must be admitted, generously accorded, it has been enabled to carry out the purposes for which, at a period of difficulty and danger, it was called upon to take office. Whether the circumstances under which it will have succumbed, should the election be adverse to Lord



Palmerston, justify the event, many will be disposed to doubt; but if the result should be to do away in some degree with these sectional distinctions, and restore or sow the seed for the future restoration of those broad and plainly-marked lines, which formerly divided the legislature into two great parties, ever watchful and ever jealous of each other—each bidding for the popular support by its exertions to promote righteous government and effective and healthful legislation—the country will be largely the gainer.

It was once said by somebody, who had not known the absence of party strife, that party was the curse of the nation. The experience of the last few years has proved that the existence of party, if not actually conducive to good government, is at least an important element in the work of law making. We have seen that as party ties became loosened, and party rivalries failed to excite emulation in Parliament, the practical business of the legislature has been indifferently performed. Members of Parliament become less vigilant—they take little or no interest in the measures which are brought forward, and, except in those cases where, by the representations of constituents or some extraneous influence, their attention is specially directed to the subject matter of the proposed legislation—bills are allowed to be introduced in a crude and ill-digested form, and without examination are passed into unworkable laws, the self contradiction and absurdities of which are only brought to light when the Courts of law are called upon to interpret them. Since Sir Robert Peel's time, we have had numerous specimens of this kind of careless legislation, and scarcely a session has passed over in which it has not been found necessary to undo something that had been improperly done in the preceding session, to supply something that had been forgotten, or to pass declaratory or explanatory acts for declaring what Parliament meant by what it had previously done, and explaining away the difficulties it had by its own negligence created.

To break down confidence, and sever the ties which bind political parties together, is, where power and determination are combined, no very difficult matter; to rebuild that confidence and reunite the severed bonds, is a task long and arduous. It may be too much, therefore, to expect—though more than a dozen years has elapsed since the disruption took place, and though he who wrought it has long since left the scene—that the coming Parliament will restore the chaotic elements into form, and in this way give increased force and usefulness to Parliamentary action. Meanwhile, we may hope, that by a wise and judicious selection of the materials which go to form



the Parliamentary whole, the constituencies will take care that all the great interests of the country are fairly and efficiently represented, and that, as far as they are concerned, the invaluable privilege of self-government is exercised for the advantage of all classes of the community, the advancement of national power, and the maintenance of the national honour.

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### FRENCH BANKS AND BANKERS.

THE history of French banking, in its pure and proper sense of dealing with capital, and in money and money values, only, may be said to have been comprised in that of the Bank of France and its branches, such as that was briefly sketched in our last number, until about the year 1840. It is true, as then observed, that bankers, of a class so called, were never wanting; for every merchant almost, if not every trader, who discounted a bill from temporarily superfluous funds, was, or was styled, a banker as well. The term banker was, in fact, of very common, indiscriminate usage.\* Merchant and banker was, and is, a common binary designation for one and the same party, the etiquette still ruling, as with us, on public occasions, if not in social life, to subordinate the latter appellation, as a sort of natural appendage in France, to the former. The merchant moreover, as a general rule, has a special *caisse*, or cash office, in his *bureau*, with a cashier to pay and receive all moneys, where his own acceptances are also made payable, and not, as with us, at a banker's. Great houses, like the Rothschilds of Paris and this city, act as foreign, but not as home bankers, in our sense. They accept and pay foreign bills of exchange, honour and grant letters of credit, and consent to open accounts current upon funds received or credits lodged; but there their

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\* A laughable, but not exaggerated illustration of its use and abuse, was given in Blackwood years ago. An Englishman in Paris answered an advertisement for furnished apartments. On seeing the owner, and his rooms, commodious enough, but miserably furnished, the terms of rent, *à bail*, were soon adjusted. Next came the furniture to be purchased, a wretched lot, for which the sum of £30 (750 francs) was asked; about double the value was demanded and agreed to, for the suite of rooms and the situation were the object. But the Frenchman was pressing for the money down there and then, and possession to be taken, as he was under the necessity of setting out on a journey to Bordeaux the next morning, and could not do without the money. "Then," observed the Englishman, naturally curious about his man, "you are a wine merchant." "Non, monsieur," was the reply. "What then?" "Mais, monsieur, je suis un banquier." Here was a banker, *soi-disant*, who was unable to set off on a journey without £30. The object of the fripon was, of course, to escape from the landlord of the house, and leave the Englishman to settle for shortcomings of rent.



purely banking mission mostly ends, for we believe they do not cultivate, or usually open home deposit accounts to be drawn against in account current, according to our banking practice. Their affair lies with masses of capital, great loans, mighty enterprises, and foreign exchanges. Meanwhile, money changers, not to be confounded with bankers, there were and are, in plenty, in Paris, and other chief places in France—a class who, at a certain agio and current rates of exchange, are ready to discount your English and other foreign bank notes and coins into French bank notes or specie, or *vice versa*, and the latter into each other, as the relative rates of value between gold and silver may chance to vary. But they would not at all understand the dealing and discounting of bills of exchange payable at a distant term after date as within their province. Like the Lombards of old, in Lombard-street or about 'Change, as, indeed, there to be found still, the fraternity of money changers abroad, who are often jewellers and dealers in plate as well, may be recognised by the bowls of gold and silver coins of home and foreign denominations in their windows, which remain the old telling expounders of their functions.

Just previous to, but more especially following, 1840, however, the dawn of a new era opened upon the science and practice of banking in France, for which the writings of eminent French economists, with the slower but more sure and shrewd appreciations of practical men, had been long preparing the way. The Government, confounding banking with currency, and resolved above all to reserve the regulation and preserve the integrity of the latter through the medium of the state bank, which was ruled in chief by highly salaried governors of its own appointment, yielded with reluctance to the pressure of new ideas and a more matured public opinion, and then only with all precaution and by slight degrees. The Bank of France, with its monopoly and dividend seeking proprietary, was even more difficult still to move, or be moved out of a beaten path. Notwithstanding reiterated reclamations from all the great centres of action, agricultural and commercial, setting forth the notorious deficiency of banking accommodation, and the non-existence of banks everywhere, which led to the most extortionate rates of interest, and fostered only a low grinding race of usurers, especially in the departments more purely agricultural, it was not until the year 1836, and then only at the repeated instances of the Government itself, that the Bank consented to the experiment of establishing two comptoirs or branches, one at Rheims, the other at St. Etienne. This was followed, in 1838, by the opening of two more in St. Quentin and Montpellier, and so on gradually, until, in 1847, fifteen branches were in operation.



These provincial establishments, so charily conceded, for a time were the means of affording a sensible, though partial relief only, to the districts in which they were located; but for the first few years it was the complaint of the parent bank, that far from yielding beneficial returns, they were a source of constant loss, and fell far short of covering the charges of their administration. This should naturally have been anticipated, as in the case of new establishments of any description. Some allowance ought to be made, nevertheless, for the disinclination exhibited by the Bank of France to extend the sphere of its operations from Paris to the departments by means of branch establishments, in view of the decisive failure of that policy on a former occasion, for it was by no means an original and practical conception of 1836. In the latter years of the first empire, and in accordance with a previous imperial decree, dating from 1808, three local branches had then been seated at Lille, Rouen, and Lyons. But they proved utter failures, and were suppressed in 1813 and 1817. The provincial populations, still under the influence then of the disastrous traditions of the assignat times, scarcely a score of years gone by, recoiled in distrust from another circulation of paper money.

Contemporaneous with, but more slowly pursuing, the lead of the Bank of France with its branches, came the reintegration, or rather the revivification of the joint-stock banking system, so far as provisionally and for the service of local interests, for the monopoly of the state bank was antecedently as strictly upheld for the metropolis as since and now. So long ago as 1817 and 1818, three joint-stock banks had been constituted in Rouen, Bourdeaux and Nantes, under the provisions of a law enacted so far back as 1802, but never before acted on—a fact not hitherto remarked upon, if known, in this country—where the late lamented Mr. Joplin claimed, and not without a plausible show of reason, to have been the founder of the system somewhere about 1830, although, in face of its long anterior existence in Scotland, it would have been more correct to say that he was the first only to introduce it here. In France, the special authorisation of the Government was indispensable in each separate case. The three banks cited do not appear to have met with much success, and remained for nearly twenty years without followers or imitators. The movement of the Bank of France in the establishment of its branches gave at length an impulse to the sleeping system, and several other of the larger cities preferred to have privileged banking associations of their own, rather than to be dependent upon the subservient agencies of the great central corporation. The number



of these joint-stock banks, new and old, did, however, not exceed nine, viz., for Bourdeaux, Rouen, Nantes, Lyons, Marseilles, Havre, Lille, Toulouse, Orleans. In 1847, the last year for which balance-sheets were published, and virtually of their existence indeed in a distinct organisation, the aggregate total of their discount operations for the year was represented by 851,600,000 francs (£34,064,000); of their note circulation, 90,100,000 francs (£3,604,000); of their capital, 20,350,000 francs (£934,000). Their shares, of 1,000 francs each, were quoted on the Bourse as variously ranging from 1,200 francs, as the minimum for the Orleans Bank, up to 3,700 francs for that of Lyons; whilst at the same time those of the Bank of France were quoted no higher than 3,200 francs. Their note circulation, it must be observed, was payable and convertible only at the place of issue, and had, therefore, no general official character like that of the state bank.

When, in consequence of the socialist revolution of 1848, the Bank of France was compelled to suspend its payments in specie, and its notes were made legal tender to maintain them in forced currency; the question was, how to deal with the circulation of the joint-stock banks. The resolution adopted on the spur of the moment was, to place that species of paper currency in the same condition, but hence arose a confusion that had not been calculated upon. For, as before shown, that currency was redeemable in coin at the places only whence issued, and, therefore, beyond that restricted sphere of circulation, possessed but little credit, because, as a medium of exchange, of little or very limited use. When declared inconvertible, therefore, with the same restrictions as to locality, the notes lost all credit and value whatever in the very localities even where issued. For, as the banks had no national character of guarantee, their paper issue could, neither then nor previously, be accepted in payment of taxes and customs' duties. In result, and as the only escape from the dilemma, their fusion with the state bank was determined on. After some delay and negotiation about the terms on which this was to be accomplished, with reference to the market value or rates of premium of the shares of each respectively, the gordian knot was cut in original simplicity by the admission of joint-stock bank shares to exchange and rank as Bank of France shares, at the paid up par rate for each of 1,000 francs. Thus the state bank made a considerable sacrifice, according to the scale of premiums in each case respectively, excepting as respected the Bank of Lyons, which, on the other hand, was a loser by the bargain. But for this sacrifice the state bank was sufficiently indemnified; in the first place by



the addition of nearly 4 millions sterling to its before-appointed limits of 14 millions of circulating power; secondly, by the accession of 82 millions sterling of annual operations in discount business; thirdly, by a reinforcement of its capital to not far short of one million sterling. Nor, in the peculiar circumstances and with the popular prejudices of France provincial, was it other than a very material advantage thus to have secured a uniformity of paper currency, which met with general acceptance and must be of undoubted convenience both to the state and people.

We may hereafter examine the extent to and the manner in which banking power, apart from a paper money circulation, has been affected or aggrandised by the state financial policy, and more animated if not excited spirit of commercial enterprise during the last five years of an eventful period, which has developed so many new and varied sources of action.

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#### THE TURKISH NATIONAL BANK.

THE latest despatches from Constantinople furnish the details of the concession for the Turkish National Bank, and they appear on the whole perfectly sound and satisfactory. The capital is to be £10,000,000, with power to increase to £12,000,000, in shares of £20 each, with £5 paid, the right of subscription being equally divided between Turkey, Germany, France, and England. The institution is to have power to issue bankpost bills and to transact every description of exchange and banking business. It is likewise to have the privilege of issuing notes to any amount not exceeding £15,000,000, on condition of one-half being secured by a reserve of specie. The board of management is to consist of a president, vice-president, and twenty-four directors, of whom the president, vice-president, and six directors are to be chosen by the Government, the remaining eighteen directors being nominated in the first instance by the contractors, and after three years by the shareholders. Weekly accounts are to be published, and a general balance is to be taken every six months after the manner of the Bank of England. All differences between the Government and the Bank are to be settled by arbitration, and special clauses are introduced guaranteeing the exclusive right of issue throughout the Turkish empire, and providing for the punishment of forgery, for the better recovery of debts, &c., for military protection, and for exemption from taxes. The Government are to give the land for the banking-house, and to pay for the building at the termination of the concession, which is to be for thirty years, with one year's notice, and reimbursement of all advances. The Bank, at the request of the Government, are to undertake its account, and any temporary loans they may make on Exchequer bills, in anticipation of revenue, are to bear interest at a rate not exceeding 6 per cent. They are to commence operations within six months from the date of the firman, and meanwhile the caution money is fixed at £200,000. The first and most important duty to be performed will be that of restoring the currency. According to



estimate, there is at present in circulation £2,500,000 of interest-bearing paper, £2,500,000 of paper without interest, and £2,000,000 or more of depreciated coinage, making a total of £7,000,000. The first is to be withdrawn in six months, the second in fifteen months, and the third gradually, the Government granting to the Bank 6 per cent. transferable bonds secured by specific revenues for the amounts furnished. From these particulars it is plain that the Government have carefully weighed all the conditions to which they have acceded, and, while avoiding improvident commitments, have endeavoured to lay a basis that may enable the Bank to take a solid and becoming rank among the financial establishments of Europe. Among speculators a ground of complaint will probably be found in the provision that the reserve of gold against the note circulation is to amount to one-half, but, although under ordinary circumstances a third has usually been considered ample, no prudent persons will regret that the leaning has been towards extreme precaution. With regard to management, it may be assumed the Board will be composed proportionably of the representatives of the shareholders in the various subscribing countries, actuated by a sufficient diversity of interests to prevent the evils of any individual sway, and who will at the same time be under the eye, although not the control, of the responsible nominees of the State. These several bodies, moreover, will be able to reckon upon the concerted action of their Governments for the preservation of their rights, and hence, with the arrangements made for the publicity of accounts, and the watchfulness, political and mercantile, certain to be bestowed on all the transactions of the establishment, there seems, as far as its constitution is concerned, every ground to look upon it with confidence.

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#### SAVINGS BANK BILL.

THE dissolution of Parliament has rendered it necessary that the proposed bill for the regulation of savings banks should be discharged. The measure was calculated to afford security to the depositor, and it would no doubt have received the support of those interested in the success of such establishments. There is, however, some satisfaction in knowing that Sir G. C. Lewis will bring forward a similar plan in the new parliament should the present ministry maintain power, and that the members who have watched the subject are prepared, if they retain their seats, to accord him the requisite assistance in forwarding government views. We consequently regard the question as one only in abeyance, to be revived at the earliest opportunity, and carried into effect, should the present Chancellor of the Exchequer be efficiently supported. Before any measure of the kind is agreed to, it will be necessary to give it full ventilation, but such is the universal desire to see the savings of the poor adequately protected, that all possible celerity in securing that end will be applauded.

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#### TRADE OF THE UNITED KINGDOM.

The Board of Trade returns for the past month were issued on the 25th of February, and show that, notwithstanding the large totals ex-



hibited in 1856, the present year has opened with an augmented business. The declared value of our exportations has been £1,083,319 in excess of those of the corresponding month of last year, a large improvement being observable in cotton, silk, and woollen goods as well as in metals and saddlery. Although these tables have been issued with increased despatch, they are in a greatly extended form, and furnish evidence of a constant desire to render them as useful as possible, the principal countries being distinguished whence our imports are derived and to which our exports are despatched. The annexed table of exportations of British produce and manufactures shows the exact increase or decrease under each head :—

## DECLARED VALUE OF EXPORTATIONS.

Months ending Jan. 31st, 1856, and Jan. 31st, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£123,887	£150,397	£26,510	—
Beer and ale ... ..	133,959	135,430	1,471	—
Books ... ..	28,843	30,857	1,514	—
Butter ... ..	58,171	50,757	—	7,414
Candles ... ..	12,602	24,551	11,949	—
Cheese ... ..	8,862	13,027	4,159	—
Coals and culm ... ..	155,686	177,957	22,271	—
Cordage... ..	22,548	11,827	—	11,221
Cottons ... ..	2,181,550	2,608,971	427,421	—
Cotton yarn ... ..	578,812	521,991	—	56,821
Earthenware ... ..	93,530	114,072	29,542	—
Fish (Herrings) ... ..	20,477	20,210	—	267
Furniture ... ..	9,294	15,274	5,980	—
Glass ... ..	49,684	43,149	—	6,535
Haberdashery ... ..	287,981	317,275	29,294	—
Hardware ... ..	270,375	285,906	15,531	—
Leather ... ..	108,403	163,129	54,726	—
Linens ... ..	397,358	410,245	12,887	—
Linen yarn ... ..	93,499	92,467	—	1,032
Machinery ... ..	149,796	193,587	43,791	—
Iron and steel ... ..	661,242	791,925	130,683	—
Copper and brass... ..	201,794	213,816	12,022	—
Lead ... ..	46,458	44,915	—	1,543
Tin ... ..	90,020	132,758	42,723	—
Oil ... ..	31,794	46,191	14,397	—
Painters' colours ... ..	22,088	28,601	6,513	—
Pickles and sauces ... ..	27,924	19,945	—	7,979
Plate and jewellery ... ..	27,722	34,490	6,768	—
Salt ... ..	25,569	24,046	—	1,523
Silks ... ..	184,399	311,926	127,527	—
Soap ... ..	27,308	19,386	—	7,922
Soda ... ..	40,158	45,219	5,061	—
Spirits ... ..	48,438	89,296	40,858	—
Stationery ... ..	47,691	50,482	2,791	—
Sugar, refined ... ..	1,761	41,667	39,906	—
Wool ... ..	54,936	60,432	5,496	—
Woollens ... ..	953,818	1,078,585	124,767	—
Unenumerated articles ... ..	696,339	644,357	—	51,982
Total ... ..	7,974,786	9,058,105		



With regard to imported commodities, grain, flour, and rice continue to be taken in considerable quantities. Of salted provisions, cocoa, sugar, wines, spirits, and fruits, there has also been an increased consumption. Coffee and tea exhibit a large decrease, attributable, especially as regards the latter, to the pending question of the duty.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Months ending Jan. 31st, 1856, and Jan. 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	207,600	332,401	207,600	332,401
Grain of other descriptions, qrs.	151,687	220,758	151,687	229,758
Indian corn, qrs....	157,623	47,382	157,623	47,382
Flour and meal, cwt. ... ..	190,154	333,163	190,154	333,163
Provisions—Bacon, &c. &c., cwt.	10,041	14,680	Free.	Free.
Butter and cheese, cwt. ... ..	42,713	54,165	46,574	62,067
Animals, No. .. ...	4,301	5,764	Free.	Free.
Eggs, No. ... ..	5,383,800	5,078,400	5,384,000	5,103,000
Cocoa, lb. ... ..	78,226	235,614	259,721	345,036
Coffee, British, lb. ... ..	104,429	1,170,062	3,856,750	2,437,016
Ditto, foreign, lb. ... ..	182,984	247,492	781,240	494,289
Total coffee ... ..	287,413	1,417,554	4,137,990	2,931,805
Sugar, cwt. ... ..	167,563	217,200	319,457	580,754
Tea, lb....	2,124,814	5,140,526	9,424,140	4,593,479
Rice, cwt. ... ..	32,744	22,484	115,064	107,284
Spirits, gallons ... ..	190,638	151,469	452,749	497,219
Wines, gallons ... ..	143,856	299,781	610,296	677,761
Tobacco, lb. ... ..	1,094,511	1,031,543	3,064,597	2,993,645
Currants, figs and raisins, cwt...	2,436	22,315	15,711	27,074
Lemons and oranges, bushels ...	102,531	152,297	143,560	163,572
Spices, lb. ... ..	285,287	224,105	530,028	447,402
Ditto, cwt. ... ..	1	2,519	526	1,192

The following are the comparative imports and exports of raw material, showing an increase in each case except hemp and tallow :—

Months ending Jan. 31st, 1856, and Jan. 31st, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	19,754	39,473	—	—
Hemp, cwt ... ..	28,716	10,378	—	—
Raw silk, lb. ... ..	117,227	225,219	223,282	130,738
Cotton, cwt....	289,882	300,807	79,294	51,688
Wool, lb. ... ..	1,314,859	1,296,180	716,745	632,498
Tallow, cwt. ... ..	56,685	23,315	—	—







must not, however, be inferred that but for these purchases the stock of specie would have shown a loss, instead of a gain, since, if the market had been left to its natural course, the amount would have flowed in without much delay. The artificial purchases slightly accelerated its arrival, but in every other respect the charge incurred for premiums has been an entirely useless loss.

## BANKRUPTS' ESTATES.

### THE ESTATE OF W. FUSTANA AND CO., AND CALUTA, BROTHERS.

#### *Statement of Affairs*

##### LIABILITIES.

Creditors on open account	...	...	...	...	£19,227	5	11
Creditors on Fustana and Co.'s acceptances	...	...	...	...	30,059	4	5
Creditors on Caluta, Brothers' acceptances	...	...	...	...	18,579	0	4
Creditors on bills receivable	...	...	...	...	4,593	6	3
					£72,458	16	11

##### ASSETS.

Outstanding debts, good	...	...	...	...	£8,770	5	3
Doubtful and bad, worth	...	...	...	...	864	14	4
Bills and cash on hand	...	...	...	...	10,876	14	9
Goods on hand, and on the way	...	...	...	...	3,324	0	5
					£23,635	14	9
Amount at the debit of the foreign houses for consignments	...	...	...	...	49,749	13	5
					£73,385	8	2

At a meeting of the creditors of Messrs, Fustana and Co., of Liverpool, and Messrs. Caluta, Brothers, of Manchester, held at the office of Messrs. Lowndes, Bateman and Lowndes, the 11th of February, 1857. The representatives of thirty-three creditors being present. Mr. W. Courtnay Crutenden in the chair. A summary of the accounts as exhibited above, prepared by Messrs. Bewley and Son, public accountants, was read to the meeting, and from these accounts it appeared that there was every probability that if time was given all debts would be paid in full. Mr. Fustana and Mr. George Caluta were called in, and, having given satisfactory answers to the questions submitted to them, they were asked what proposal they had to make, when they submitted the following, viz. :—To pay 4s. in the pound in August, 1857; 4s. in the pound in January, 1858; 4s. in the pound in July, 1858; 4s. in the pound in January, 1859; 4s. in the pound in July, 1859. It was resolved, that the above proposal be accepted. It was further resolved, that in order to secure the funds of the concern, the same shall be placed as received in the Royal Bank in the names of the chairman and Mr. Stefano Franghiadi, but in all other respects Messrs. Fustana and Caluta be left to wind up the business without inspection. That Mr. Bewley be authorised to proceed to London to explain to the



Ottoman Bank, and other creditors there, the position of the affairs, and that he convey to them and the other absent creditors, the importance of their acceding to the above resolutions.

(Signed)

WM. COURTENAY CRUTTENDEN,  
Chairman.

### THE ESTATE OF MESSRS. SWAYNE AND BOVILL.

A MEETING of the creditors of Messrs. Swayne and Bovill, merchants and engineers, who failed on the 3rd March, was held on the 9th, when it was agreed to wind up the estate under inspection, the following gentlemen being selected to superintend the process:—Mr. Lockett, Mr. J. Cary, Mr. Rix, Mr. J. Freeman, and Mr. F. Bramwell. The whole of the discussion was in relation to the prospects of dividend, and the measures to be adopted for completing the works in progress, since the results of these, together with the proceeds of various patents, will greatly assist to increase the total assets. The annexed figures represent the principal items in the approximate statement submitted by Mr. Turquand, the accountant:—

To sundry creditors unsecured	...	...	...	£46,352	6	8
Ditto holding security as per contra	...	...	£80,304	9	0	
To liabilities	...	...	...	14,743	0	0
				£61,095	6	8
By cash balance	...	...	...	100	0	0
Debtors good	...	...	...	10,648	7	5
Ditto doubtful	...	...	£11,254	2	0	
			At 10s. per pound	5,627	1	0
Consignments of iron surplus over advances	...	...	...	3,700	0	0
Property unencumbered	...	...	...	19,147	5	6
				£39,222	13	11
Deduct estimated payments required to complete works	...	...	...	1,700	0	0
				£37,522	13	11
By property held as security as per contra	£181,585	17	0			
By patents, &c., not included in the above						
assets, estimated probable value	...	90,000	0	0		

### THE ESTATE OF MESSRS. C. FRANGHIADI SONS.

A MEETING of the creditors of Messrs. C. Franghiadi Sons, Greek merchants, who failed on the 20th of February, was held on the 11th of March, Mr. Diggle presiding, when the following statement was presented by Mr. J. E. Coleman, the accountant:—

*Statement of the affairs of C. Franghiadi Sons, of Gresham-house, Old Broad-street, Merchants, Feb. 20, 1857.*

Dr.

To creditors on open accounts	...	...	...	£12,754	14	8
Creditors on bills payable	...	...	£86,109	15	6	
Less debit balances against same	...	7,721	9	2		
				78,388	6	4
Carried forward	...	£91,143	1	0		



	Brought forward ...	£91,143	1	0
Creditors partially secured ...	£770	9	10	
Less security held ...	614	12	6	
		155	17	4
Creditors fully secured :—				
Security held ...	21,515	4	8	
Claims ...	17,874	19	7	
	£3,640	5	1	
Contra ...				
Liabilities on bills receivable	£114,536	8s. 9d.,		
which it is expected there will rank on the estate...		24,760	0	0
		£116,058	18	4
<i>Cr.</i>				
By cash ...		£573	8	5
Debtors, good ...		1,578	3	7
Ditto, doubtful ...	£1,517	14	2	
Ditto, bad ...	6,065	17	6	
Bills receivable, good ...		785	0	0
Ditto, doubtful ...	3,800	0	0	
Assets, consisting of wheat, &c. ...		9,243	7	7
Surplus on securities held by creditors, contra ...		3,640	5	1
		£15,820	4	8
Less creditors under £10 and amounts to be paid in full ...		261	14	5
		£15,558	10	3
Amounts due by parties after they have provided for their draughts ...		5,639	19	7
Amounts due from Franghiadi and Valenti, of Alexandria ...		61,271	17	11
		£82,470	7	9
Balance in the hands of parties who are holders of bills receivable ...		817	0	8

It was explained that, although the balance-sheet shows liabilities to the extent of £116,000, with assets representing £82,000, these figures will have to be modified, owing to the position of the firms abroad. There are three houses in addition to the London establishment,—one at Galatz (presumed to be solvent), a second at Alexandria, and a third at Trieste. The house at Trieste has stopped, and the liabilities will be increased through this event about £9,000, making a total of £125,000. Against this amount the assets in London are taken at £15,550, and at Trieste at £3,500, while Mr. Coleman has thought it prudent, in consequence of the Trieste house being creditors for £32,000, to take the Alexandria balance at £29,000, instead of £61,271, as it stands in the books. In this shape the accounts will show £48,050 to meet £125,000; and if the house of Franghiadi and Valenti, of Alexandria, is, on a settlement, liable for, or in a position to pay, a greater amount, the excess will increase the general dividend. Since the London house stopped, £6,850 has been received, principally from Alexandria, and this, together with the £15,500, makes £22,300, which it is thought may be safely realised,—allowing a distribution, if the creditors



conour, of 2s. in the pound at no distant period. As some of the claimants have commenced proceedings in Bankruptcy, it was suggested that it would be desirable to ascertain what steps they intended to pursue, and Mr. Lavie, supported by the majority, explained that recourse to that tribunal will not improve the assets or facilitate the administration of the estate. A long discussion ensued with regard to the manner in which one or two transactions had been conducted, and the parties opposing said they could not pledge themselves to accede to the mode of liquidation suggested. In answer to questions, it was stated that the firm commenced with a capital of £12,500, and that the losses and expenses have included from £50,000 to £60,000, £24,000 of which are through liabilities on bills. A balance was struck on the 1st of January, but several large sums were then kept under the head of suspense account, instead of being carried to profit and loss. After some further conversation with regard to the expediency of despatching an agent to Alexandria to ascertain the position of the house there, the annexed resolution was agreed to :—

“That the following gentlemen—Mr. Westmoreland, Mr. E. G. Franghiadi (Franghiadi and Rodocanachi), and Mr. Lazard—do form a committee, with authority either to select some competent person to go out to Alexandria, or to forward instructions to some house at Alexandria with a view to ascertain the true position of the firm there, and to obtain the remittance of funds to the committee as quickly as possible.” In the meantime the assets are to be realised, under the direction of the committee, with a view to an early dividend, and all funds to be deposited at the Bank of England, in the joint names of Mr. G. C. Franghiadi and Mr. Coleman.

The firm has since been made bankrupt.

#### THE ESTATE OF P. SINANIDES AND CO.

A MEETING of the creditors of P. Sinanides and Co., Greek merchants, who failed on the 21st of February, was held on the 10th of March, when an adjournment of three weeks was agreed to, with the view of receiving advices from Alexandria regarding the debt of P. H. Andrea and Son, amounting to £20,800. The assets, irrespective of this sum, show about 2s. in the pound, but it is hoped that they will be further increased. The creditors present expressed an opinion in favour of a liquidation under inspection in preference to an appeal to bankruptcy. Subjoined is the statement submitted by Mr. Quilter, the accountant :—

#### *P. Sinanides and Co. Balance-sheet, Feb. 21, 1857.*

<i>Dr.</i>							
To creditors unsecured	...	...	...	...	£30,855	8	9
Creditors partly secured, viz. :—							
Claim	...	...	...	...	£5,125	17	11
Less securities	...	...	...	...	2,623	16	8
						2,502	1 3
To creditors fully secured, viz. :—							
Securities	...	...	...	...	9,580	0	0
Less claims	...	...	...	...	7,499	10	0
Surplus taken as an asset per contra	...	...	...	...	£2,080	10	0
To holders of our acceptances of P. H. Andrea and Son's drafts	...	...	...	...	...	3,163	7 3
Carried forward	...	...	...	...	£36,550	17	3



	Brought forward ...	£36,550 17 3	
To liabilities on bills receivable :—			
Considered good ...	£21,431 17 6		
To liabilities on bills payable for our acceptances of H. C.			
H. Moyasi's drafts outstanding in the excess of the			
estimated balance owing to him, viz. :—			
Acceptances ...	£4,600 0 0		
Estimated balance ...	2,502 1 3		
	£2,097 18 9		
		£36,541 7 3	
<i>Cr.</i>			
By cash and bills in hand, viz. :—			
At Bank of England ...	£9 18 1		
Bills receivable ...	1,139 16 0		
		£1,149 14 1	
By debtors considered good...		652 12 2	
Considered bad ...	£10,979 15 2		
By debtors in respect of bad liabilities ...	£11,895 13 1		
By surplus securities in hands of creditors, per contra ...		2,080 10 0	
By P. H. Andrea and Son :—			
Balance of account current, as per state-			
ment ...	£17,709 11 3		
Bills accepted on their account ...	3,183 17 3		
		20,893 8 6	
By shares—cost ...		300 0 0	
By deficiency carried over ...		11,465 2 6	
		£36,541 7 3	

THE ESTATE OF MESSRS. COPLAND, BARNES AND CO.

A MEETING of the creditors of Messrs. Copland, Barnes and Co., provision merchants, who failed on the 4th of March, was held on the 19th of March, Mr. Harker presiding, when the following statement was submitted by Mr. Pullein (of the firm of Harding and Pullein), the accountant :—

COPLAND, BARNES AND CO., OF BOTOLPH-LANE, LONDON, PROVISION MERCHANTS.

*Statements of Affairs, March 4, 1857.*

LIABILITIES.

<i>Dr.</i>				
To creditors unsecured ...	£25,298 19 11			
Creditors partially secured ...	£524 11 11			
Less value of securities ...	408 0 0			
		116 11 11		
Carried forward ...	£25,415 11 10			



	Brought forward	... £25,415 11 10
To creditors fully secured ... ..	18,357 3 2	
Value of securities... ..	21,231 8 11	
	<hr/>	
Surplus, see contra ... ..	2,874 5 9	
	<hr/>	
Creditors to be paid in full :—		
Rent and salaries ... ..	474 12 7	
Creditors under £10 ... ..	181 10 7	
	<hr/>	
See contra ... ..	656 3 2	
	<hr/>	
To liabilities on bills receivable, &c. ...	9,610 10 9	
Less amount not expected to be claimed against the estate ... ..	8,157 14 1	
	<hr/>	
		1,452 16 8
		<hr/>
		£26,868 8 6

**ASSETS.**

<i>Cr.</i>					
By debtors—considered good	...	...	...	...	£2,542 12 10
Doubtful and bad	...	...	£1,657	0 7	
					<hr/>
Cash in hand	...	...	...	...	139 5 0
Stock in trade, &c.	...	...	...	...	4,322 15 8
Surplus securities held by creditors	...	...	...	...	2,874 5 9
					<hr/>
					£9,878 19 3
Less creditors to be paid in full as per contra	...	...	...	...	656 3 2
					<hr/>
					£9,222 16 1

It was explained that the assets show a dividend of about 6s. 8d., in the pound, and that the losses have been occasioned by the rise in the prices of provisions, the firm having a contract with the Royal Mail Steampacket Company. The estimated distribution, it is thought, will be realised, since the company seem disposed to take the remaining stores, both at home and on the intercolonial stations, at a fair price. In answer to questions, it was mentioned that the private estates show no surplus, and that the amount of capital originally introduced has not been traced, the house having been upwards of thirty years in business. After hearing further details from Mr. Nicol (of the firm of Messrs. Allen and Nicol), relative to the cessation of the contract, and the manner in which it had been carried out, several creditors proposed a liquidation by inspection, but it having been suggested that an investigation is essential before coming to a final determination, the annexed resolution was ultimately agreed to:—

"That Messrs. Harker, Strong, Snelling, Thomas Pennick, Alexander A. Rattray, and Charles Phillips, be appointed a committee, three to be a quorum, to investigate the affairs of Messrs. Copland, Barnes and Co., and report the same to a meeting of the creditors to be called for the purpose."

At an adjourned meeting on the 27th March of the creditors of Messrs. Copland and Barnes, provision contractors, who failed on the 5th, it was agreed to wind up the estate through a petition for private arrangement, under the control of the Bankruptcy Court, Messrs. Harker, Anderson,



Ward, and C. J. Phillips being appointed inspectors and trustees. The loss by the Royal Mail Steam contract appears to have been £25,000, and the firm is stated three years ago to have been solvent.

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#### THE BANK CHARTER ACT COMMITTEE.

THE investigation into the Bank Charter Act has been nipped in the bud. The dissolution of Parliament has caused the inquiry to be suspended, although it may be anticipated that renewed action will be taken in the matter immediately the new House assembles for business. There is such an unanimous concurrence in the feeling that evidence should be taken to elucidate the progress of trade and its influence upon the circulation during the last ten years, as to preclude the possibility of the investigation being delayed, whoever may assume power; and, consequently, little apprehension is entertained of even a change of parties causing an entire abandonment of the committee.

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#### LIQUIDATION OF THE LONDON AND EASTERN BANKING COMPANY.

ANOTHER bank is announced to be in course of liquidation; and the circumstances connected therewith are of the most discreditable character. The London and Eastern Banking Company is the establishment in question; and the conduct of the directors and managers deserves the severest reprehension. It is not yet certain whether the attempts to wind up the establishment in the quiet way proposed will be attained; and although, for the sake of the avoidance of litigation, it might be hoped that success would follow, still, so flagrant have been the acts of the executive, that the full public exposure of their nefarious proceedings would be a light punishment for the loss they have inflicted on their shareholders. The event was made public on the 17th of March.

The head office of this bank is at 27, Cannon-street, City, and it has branches in Mark Lane, Pall Mall, and Westbourne-terrace; also at Calcutta and Bombay. It was established in 1854, with a nominal capital of half a million sterling, of which £250,000, or £50 per share, is paid up. The number of partners, or shareholders, in the bank, which is incorporated by royal charter, is about 98. The Chairman is Mr. John Carnac Morris; the deputy-chairman, the Hon. John C. Erskine; and the directors are Colonel Thomas Chadwick, Colonel W. P. Waugh, Colonel E. R. W. W. Yates, and Messrs. Henry Fendall, Robert John Lattey, and J. E. Stephens. This latter gentleman is also general manager. The trustees are General George Brooke, C.B., Colonel Thomas Chadwick, and Colonel J. G. W. Curtis, C.B. The company are agents in London for the Delhi Bank, Simla Bank, United Service Bank of Agra, and the Agra Savings' Bank. Under the circumstances, it would appear that the loss will fall solely upon the shareholders. The liquidation is in regular progress, and several of the depositors are understood to have withdrawn their funds. Owing to the assistance which



has been obtained, and which has prevented any direct stoppage of payment, the full details of the course of management which has compelled the undertaking suddenly to wind up, with the loss of its capital, will probably not come before the public. That great laxity must have prevailed, is to be inferred, however, from the fact of 6 per cent. dividends having been paid up to July last, when the condition of the bank was stated to be so prosperous as to render it expedient to establish two new branches, the meeting being also informed that the audited accounts, after allowing for the dividend, "the payment of all expenses, and writing off bad debts," showed a surplus of £10,378 to be carried forward. Either this statement must have been deceptive, or the whole of such difficulties as have been experienced must have occurred in the subsequent interval. According to the last return issued by the bank a month back its liabilities and assets stood as follows :—

## LIABILITIES.

	£	s.	d.
Shareholders on capital account ... ..	250,000	0	0
Fixed and floating deposits and draughts in circulation	983,463	6	1
Profit and loss ... ..	17,129	2	3
Reserve or surplus fund .., .., .., ..	10,378	7	5
	<u>£1,260,970</u>	<u>15</u>	<u>9</u>

## ASSETS.

Indian and other branches ... ..	245,067	5	11
East India and Government securities, bills of exchange, Treasury and agency draughts, credits, discounts, and cash in hand ... ..	989,925	14	4
Stamps... ..	177	19	9
Bank and branch houses and preliminary expenses ...	25,799	15	9
	<u>£1,260,970</u>	<u>15</u>	<u>9</u>

A meeting of the shareholders was held on the 25th of March. The directors of the bank have hitherto desired to avoid publicity, and enough has now transpired to explain their feeling in that respect. While the paid-up capital was £250,000, it appears that £237,000 has been lent upon mortgage on estates belonging to Colonel Waugh, one of the directors, at Beddington, in Surrey, and Branksea-castle, Dorsetshire; while other advances, to a very serious extent, have been made to directors and to the manager. At the meeting to-day, Mr. John Carnac Morris, the chairman of the company, presided, and that gentleman admitted he was indebted £12,000 to the establishment, against which they hold securities on houses, &c. Mr. Fendall, a director, was understood to have borrowed £5,350 on the security of his own shares; Colonel Curtis, a director, £5,500 on steam shares worth £3,000; and Mr. Stephens, the manager, £27,000 on various securities. During the proceedings Mr. Guedalla, a shareholder, inquired upon what pretext or temptation £237,000 could have been sunk in mortgages when the legitimate business for which the concern was established offered safe, regular, and heavy profits. The reply that 10 per cent. was paid upon the mortgages caused a strong feeling of indignation, since the very fact of such a rate being offered should have been a warning of their questionable character. Captain Corfield, another shareholder, pointed



out the deceptive character of the clause in the charter providing for a meeting upon a fourth of the capital being lost, and maintained that those by whom it had been disregarded deserved heavy punishment. The direct liabilities of the bank were stated by Mr. Coleman, the accountant, to be £397,734; and it was intimated that, after allowing for large losses, the assets may yield £413,450, which will leave about £16,000 to meet the shareholders' paid up capital of £250,000. Four Indian banks—the Oriental, the North Western, the Mercantile of Bombay, and the Agra, were stated to be willing to advance the amount necessary to meet immediate liabilities in India, about £104,000, and also to give time upon such bills of the London and Eastern Bank as are at present in their possession, on condition that certain assets shall be handed over to them, and that the shareholders shall give their notes of hand for the 50 per cent. of capital still remaining uncalled. This arrangement seemed to be regarded as a fair and desirable one; and a committee, consisting of Sir William Gomm, Colonel Yates, and Mr. Beville, was ultimately formed to promote it. It is stated that the Oriental Bank Corporation hold no bills or obligations of the London and Eastern Company, but are influenced to interfere in the matter with the hope of saving the unfortunate shareholders (some of whom are shareholders and constituents of the corporation) from the disastrous consequences of the litigation which would be likely to arise from a judicial winding-up of the affairs of the London and Eastern Bank.

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### THE INTERNATIONAL BANK.

THE *Indépendance Belge* publishes the details of the intended constitution of the new International Bank at Paris. It is to be called the International Society of Commercial Credit, and the founders are Mr. William Gladstone, Mr. Weguelin, governor of the Bank of England, and Mr. Charles Bell, all of the house of Thompson, Bonar, and Co., of London and St. Petersburg; Mr. Alderman Salomons; Mr. Charles Morrison, of the firm of Morrison, Dillon, and Co.; Mr. Arthur Hankey; Mr. S. H. J. Goldschmidt; and Mr. Robert Campbell; the Discount Society of Berlin, through its *gerant*, M. David Haussman, formerly Prussian Finance Minister; the Northern Bank of Germany, at Hamburg, represented by Senator Goddefroy and Ernest Merck, consul-general; the Leipsic Credit Bank, represented by M. Albert Dufour Feronce; and, finally, Messrs. L. R. Bischoffsheim, banker, and Armand Donon, of the firm of Donon, Aubry, Gautier, and Co., bankers, both of Paris. The company are to discount commercial paper, to issue letters of credit, to make advances on public funds or on shares or obligations of railways and other industrial undertakings, to receive deposit accounts to be paid against cheques and at interest or otherwise, according to the plan of the English banks; to participate in the issue of national loans, and to subscribe thereto with the express authority of the Government; to receive the custody of securities of all descriptions; to make loans and advances on warrants and bills of lading and to transact every kind of ordinary banking operations. They are also to be empowered to establish agencies or branches' abroad to carry on the same business, and to make advances on French securities, or to pay the dividends on them. They may likewise, with the authority of the Government, establish branches in France. The capital is to be £4,800,000, in shares of £200 each, of which only half are to be issued in the first instance. One-third of the amount is to be subscribed in London, one-



third in Germany, Belgium, and Holland, and one-third in France. £40 per share is to be paid on subscribing, and £40 within a month after the date of decree of authorisation. The remaining £120 will be called up at the discretion of the directors, but not until after the issue of the entire capital. The board of directors is to consist of twenty-five members, to be chosen by the shareholders at a general meeting, and they are annually to nominate a president, subject to the approval of the Government. The shares of the company will be to bearer. Of the directors, fifteen are to be French, six English, and four German.

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### NATIONAL BANK OF VICTORIA.

A proposal of the local government of Victoria, to establish a national bank of issue in that colony, is likely to meet with powerful opposition from the body of persons interested in the existing joint-stock banks. On the other hand, the scheme promises to be popular with the people at large, the majority of whom are easily led away by the fallacy that by taking the circulation into its own hands the Government would bring down the high rates of interest at present charged. The arguments for the principle of establishing a national bank with functions strictly limited, by which entire security would be given to the paper issue while the country at large would obtain the profits of them, may be generally admitted, but it would be an unjustifiable measure if the Government, after the existing institutions, by their enterprise and good management have familiarised the country with the advantages of a note currency, and established general confidence in its negociability and value, were suddenly and without compensation of any kind to seek to seize the business that has thus been created. Yet, according to a description of the plan of the Colonial Treasurer, given by Mr. Westgarth in an address to the Melbourne Chamber of Commerce, something of this kind is contemplated. A certain day is to be named on which the banks at present issuing are to be obliged to confine their issues to the extent of their then circulation. Another day is to be named on which they are to cease re-issuing any notes that may be paid in, and finally, a day is to be notified when their notes shall no longer be receivable at the Treasury. The intervals at which these arrangements are contemplated do not seem yet to have been mentioned, but it is to be assumed that they are short. Mr. Westgarth, in the interest of the banks, denounces the proposition as an attack upon vested rights, and, within certain limits, his view is palpably correct. In England, when Sir Robert Peel resolved to interfere with the issuing powers of the private banks, he confined himself to restricting them to their then amount, and fixed ten years as the period before any steps could be taken for the extinction of their privileges. A similar grace should at least be accorded to establishments like those in Victoria, which have contended creditably with all the trials and risks of the most anxious epoch in the history of the colony. Should a less considerate course be pursued, it will probably prove less profitable than its originators imagine. The local Government announce that they are desirous of carrying on the principal railway and other works of the colony by debenture loans, and the rate at which these may be negotiable will not be unaffected by the tone that may be manifested by the legislature in dealing with existing rights, actual or implied.

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## THE ROYAL BRITISH BANK.

THE more searching the investigation into the affairs of this establishment, the more startling are the disclosures. The examination of the late governor, Mr. E. Esdaile, presents a most deplorable picture of the shifts and manœuvres resorted to for maintaining the credit of the establishment. The business, as conducted by the directors and manager, the heavy debts incurred by Mr. H. Brown, Mr. H. I. Cameron, and others, and the duplicity exercised to obtain support and enlarged capital, form the most reckless features; and it is only surprising, to use an Americanism, that "an explosion" had not long since taken place. The shareholders and customers having agreed to a compromise, there is a prospect of the litigation being arrested; but the dissolution of Parliament has prevented the immediate introduction of a bill to effect that object. A measure, however, will be brought forward so soon as legislation can take place. Another dividend sitting has been fixed for the 17th April, when an amount of 2s. or 2s. 6d. in the pound will be distributed. We continue to furnish a record of the proceedings, although they extend to a considerable length:—

A general meeting of the depositors was held at the Freemasons' Tavern, Great Queen-street, on the 4th of March, for the purpose of obtaining their assent to the compromise proposed by the shareholders, and which had been approved by the committee of depositors. Resolutions were also to be submitted to the meeting in favour of the general act of Parliament, by which the above object might be effected.

The large room of the tavern was crowded by anxious creditors of this notorious bank, and at 7 o'clock it was proposed that Mr. James Wyld, the chairman of the committee, should take the chair. Some opposition was evinced by a small body of persons, led on by a Mr. Dwyer, who said that the chair ought not to be occupied by any one who was already committed to a particular line of action, and he therefore proposed that Dr. Wakley should preside. Much noise and confusion ensued, when Mr. Dwyer at length became so excited that he was obliged to be ejected by force from the room. After considerable delay, and after many irregular speeches had been made, the meeting settled down quietly, and on a show of hands Mr. Wyld was all-but unanimously called to the chair.

The Chairman said they were met to discuss an important question affecting their own interests, and he hoped the proposition which was about to be submitted to them would be discussed fairly and dispassionately. It had been said that he was committed to a certain line of conduct; he was certainly committed to one line of conduct, which was to obtain for the depositors of the British Bank all that it was possible to obtain for them. (Cheers). Mr. Wyld then entered into an historical detail of all the proceedings which had taken place from the time of the failure of the bank on September 3, 1856, down to the present day in the Court of Chancery, and in Bankruptcy, and with which our readers must be quite familiar. After describing the contest between the assignees of the creditors in bankruptcy and the official manager of the shareholders in Chancery, and the fact that the assignees finally succeeded in getting possession of the property, he proceeded to state that a dividend of 5s. 6d. in the pound was immediately declared, and that but for the vexatious delays occasioned by the present disgraceful state of the law, a further dividend of 2s. or 3s. in



the pound would have been paid before this. He hoped that would be done within the next two months, and if the estate should turn out according to Mr. Coleman's expectations there was reason to believe that a further dividend of 1s. or 2s. might be realised, and then the estate would, he believed, be exhausted. But the committee had not confined their exertions to the distribution of the funds already obtained; they had endeavoured to effect an arrangement with the shareholders, which would be beneficial to the depositors, and at the same time the least onerous of the shareholders themselves. It was found that some of the creditors were pursuing and harassing individual shareholders, driving them into the Bankruptcy Court, and turning their wives and children into the streets, not for the purpose merely, let it be remembered, of obtaining payment of the debts due, but to defray enormous law expenses. Others of the shareholders—the wealthiest and the most dishonest, not being attached to trade, were flying across the water and thus putting the channel between them and their creditors. What, then, did the committee do? They adopted that course which he believed time would show was the wisest for them to pursue—they expressed themselves ready to accept from the shareholders as much as they could get. No doubt they were entitled to 20s. in the pound, but in what way were they to obtain it? There were three lists of shareholders—list A comprised the present shareholders, who were liable for all the debts of the bank; list B consisted of new shareholders, who, under the advice of an able lawyer, said, "We are seventy-four in number: we subscribed to this bank upon the strength of certain accounts which were presented to us; they were fraudulent accounts, and we are neither morally nor legally liable to pay you, and we shall contest inch by inch our liability." The third list were those who were not on the present list, but who had been shareholders during a period of three years. It was under these circumstances that a composition was proposed by the shareholders. A list was handed to the committee with the amount of contribution placed opposite each shareholder's name. That list had been carefully gone through, and, after the best knowledge that could be acquired as to the circumstances of every shareholder, the committee had come to the conviction that the greater portion of them, at all events, had contributed to the full extent of their means. No doubt if the depositors insisted upon it they might ultimately get 20s. in the pound; but though the demand might be just, yet it might not be expedient to enforce it. The question they had to consider was—was it worth their while to accept a composition of 15s. in the pound? (Cries of "Yes, yes!" "No, no!") The committee had not come there to press upon the depositors a foregone conclusion; they were asking for their verdict—aye or no. It was absurd to suppose that any compromise could be carried out without the deliberate consent of a large majority of the creditors, and before that consent would be of any effect it must be given under their hand and seal. (Cheers.) They had already received 5s. 6d. in the pound. A dividend of 3s. would be paid in two months, and the solvent shareholders proposed to pay 6s. 6d. in the pound, making 15s. in the pound. For this 6s. 6d. he had required a guarantee of £20,000 hard cash, to be lodged in the joint names of himself, Mr. Lawrance, and Mr. Field. That £20,000 was to be paid over to the official assignee, and he was to place it against the calls of the directors. The object was that, should, after all, this arrangement fail, the estate would still be benefited to the extent of £20,000. (Cheers.) At the present moment more than £10,000 of that sum was subscribed, and the whole arrangement would be completed before the end of April next. (Cheers.) It had been said that if they accepted this proposition they would deprive



themselves of the benefit of the principle of unlimited liability. They would do no such thing. But, in truth, the principle of unlimited liability was the principle of humbug. (Cheers and laughter.) If every shareholder of the British Bank had been liable for every £100 share to the extent of £500, he would have paid the money, and all the depositors would have received 20s. in the pound; but, as according to the present law every shareholder found himself liable to the extent of £2,000 or £3,000 for each £100, he was obliged to shirk his liability by every means that the law enabled him to do. The chairman here became suddenly hoarse, and was obliged to resume his seat, which he did amid loud cheers.

Mr. R. Taylor, in moving the first resolution, said that, unhappily, in this metropolis there were many pettifogging lawyers, who worked mischief instead of good to society. If these affairs had been intrusted to men of business instead of to lawyers, the whole matter would have been settled long ago, and they would have known the worst of it. He strongly recommended the depositors to accept the terms proposed, and moved the following resolution:—

“That, in the opinion of this meeting, it is essential to the interests of the creditors of the Royal British Bank that the proposed composition of *6s. 6d.* in the pound, beyond the assets in Bankruptcy, should be accepted, and that the shareholders should be required to pay the same by instalments before the 30th of April next.”

Mr. Kain seconded the resolution.

Mr. Wakley, Jun., then moved an amendment in these terms:—

“That this meeting is of opinion that it is not expedient to accept any offer of a composition from the shareholders of the Royal British Bank until an official statement has been laid before the depositors of the actual pecuniary resources of the shareholders, nor without receiving the most ample and satisfactory security for the payment of any composition, should any offer from the shareholders to that effect be accepted by the secretary.”

He believed there were shareholders who were able to pay much more than the sums which it was proposed they should contribute. He knew at the present moment a shareholder who was on the board of a public company, and who was driving his carriage in the streets of London. (Cries of “Name.”) He had been asked to prove this, but he called upon the Court of Bankruptcy to prove it. These shareholders should be summoned before the commissioners, and an inquiry should be made into their circumstances. This had been done in two or three instances by Mr. Linklater, but that gentleman had applied to the commissioner to have inquiries carried on in secret. How could the creditors in that case know what these men were worth? Why was Mr. Humphrey Brown not examined? (Cheers.) He was heard in private, because he could give some important information. What was that important information? (Cheers.) Let it be produced. All these examinations ought to be produced. (Hear, hear.) Every thing ought to be known. Mr. H. Brown alleged that he did not owe the estate anything, but Mr. Coleman proved that he was indebted to the bank to the amount of upwards of £75,000. He repeated that if proper means were taken, the depositors could get 20s. in the pound. (Cries of “How?”) He knew they could if they could get hold of the shareholders who had the money. (Laughter.) The question was, whether they would permit those men who had made over their property to other persons, and who were evading their creditors by living on the other side of the water, to defraud them, and whether they were to allow themselves to be led into a compromise by which they would lose a fourth of their just demands? (Hear, hear.)



Mr. King seconded the amendment.

Mr. Linklater, having been loudly called for, then addressed the meeting, and entered into a long statement of the legal steps which had been taken to get the assets of the bank out of the hands of the directors, and to place them under the control of the assignees in Bankruptcy. That great organ of public opinion, *The Times*, lamented the destruction of the property of the creditors, by its being attempted to be placed in Chancery under the administration of the directors themselves, over whose conduct the creditors had no control whatever. If it had not been for that disgraceful state of the law, the depositors never would have heard of him, or of a bankruptcy in this case. (Cheers.) He disclaimed all interested motives in the course he had pursued, and declared that he felt he should have neglected a duty he owed to the public if he had sat by and suffered such vast property to be so mismanaged, and he therefore obtained an adjudication of bankruptcy against the bank. This gave the creditors that which it was desirable they should possess—a power of distribution over their own property, equal rights, and a protection of their property for the general good; and lastly, and that which he considered a paramount public question, a right to inquire into the conduct of those men who had brought a scandal and disgrace on the banking interests of this country. (Loud cheers.) From that hour the whole proceedings of this bankruptcy had been under the control of the committee of depositors. He was quite content to await the result of time to expose and refute the egregious, scandalous, and disgraceful misrepresentations concerning this bankruptcy. (Loud cheers.) The present was a question for finally putting an end to the differences existing between 4,000 depositors and 280 shareholders; and it was for the meeting to decide whether this should be effected by the compromise proposed or not. (Cheers.) The learned gentleman, in adverting to what had been said by Mr. Wakley respecting the conducting of the examinations of certain parties before the commissioner in "secret," indignantly denied the charge, and said that to ask a man in a Court of Bankruptcy, who was a debtor, what were his means of payment, was unconstitutional, and was not permitted. One such question was asked of a shareholder, and he said he declined to answer the question, by the advice of his solicitor. Mr. Linklater then referred to the case of Mr. Humphrey Brown, and said that, in consequence of a speech which that gentleman had made to his constituents at Tewkesbury, in which he used words that would convey the impression that he disputed being a debtor to the bank, he (Mr. Linklater) wrote to Mr. Brown requesting him to state whether he intended that his language should convey that impression, seeing that he was upwards of £70,000 in debt to the bank, subject to be reduced by securities held by the bank, and which he (Mr. Brown) estimated to be worth £40,000. To that letter the following answer was received:—

"Westminster, March 2.

"Gentlemen,—I beg to acknowledge the receipt of your letter of the 28th, referring to a speech made by me at Tewkesbury, and in reply to your question whether or not I intend to deny the existence on my part of any debt to the bank, I beg to say that I did not make any statement expressly or inferentially to that effect.

"My complaint throughout the investigation into the affairs of the bank is, that I have been constantly represented as having appropriated moneys to my own use, whereas the sums advanced to me were advanced in the same way as to other customers, covered by securities estimated at the time



by the bank brokers as ample to cover the advances. I need not allude now to the circumstances under which those advances were made. This forms part of the inquiry now going on, and will come before you in due course. No one has more cause to lament the depreciation in these securities than myself, and still more so that I should have been stigmatised as I have been on transactions in no way different from every-day practice as between bankers and their customers.

"I need scarcely add that my observation has no personal application to yourselves or to the assignees, but intended to have reference to the strictures so cruelly passed upon me in various public quarters.

"I am, gentlemen, yours most respectfully,

"HUMPHREY BROWN.

"Messrs. Linklater and Hackwood, Sise-lane."

After explaining the course which the assignees had pursued with respect to the claim on Mr. H. Brown, Mr. Linklater assured the meeting that nothing had been done which would enable Mr. Brown to escape a full inquiry into his conduct, and, if it were possible, by the Attorney-General elsewhere. (Loud cheers). But if he were to tell the meeting all the means that were being taken for the purpose of bringing to justice all those fugitives to whom Mr. Wakley had referred, they would themselves be the first to condemn his imprudence. (Cheers.)

The amendment was then put, when only thirteen hands were held up in its favour, after which the resolution was put and carried almost unanimously, and amid great cheering.

The following resolution, moved by Mr. Foster, and seconded by Mr. P. Brown, was also agreed to:—

"That it is desirable that the acceptance of such composition by a majority of the creditors should be binding upon the minority, and that an act of Parliament for that purpose should be obtained, the application for which this meeting pledges itself to support, and that the petition already prepared in favour of such act be presented to both Houses of Parliament."

A petition founded on the foregoing resolution was then adopted.

The Chairman explained that the act sought for would be a public act, and would not be passed at the expense of the depositors or promoters of it. He had had an interview with the Attorney-General on the subject, and a bill would be brought into Parliament this session,\* provided it should last long enough to admit of its being introduced. (Cheers and laughter.)

A vote of thanks was then passed by acclamation to the chairman, and the proceedings of the evening terminated.

*Court of Bankruptcy, Basinghall-street, March 11.—(Before Mr. Commissioner HOLROYD.)*

**RE THE ROYAL BRITISH BANK.—EXAMINATION OF MR. ESDAILE, THE GOVERNOR OF THE BANK.**

This was a sitting appointed for the examination of Mr. Edward Esdaile, the governor of the bank.

Mr. Linklater appeared for the assigness, and Mr. Venning for Mr. Esdaile.

Mr. Edward Esdaile, in answer to Mr. Linklater, who appeared for the assignees, stated that he was a director of the bank from its commencement to its close, and was governor of the court of directors from February, 1855. He could not say how much the bank had when they commenced business on the 19th of November, 1849, but he believed the sum

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\* Owing to the dissolution of Parliament the bill is temporarily postponed.



of £20,250 as standing to the credit of the Bank in their books was correct. He was aware that by the terms of the act of Parliament they should have had £50,000, being one-half of the paid-up capital, before they petitioned her Majesty in council for a charter of incorporation. On the 20th and 21st of November, 1849, two sums of £5,685 and £3,110 were paid into the Bank of England to the credit of the bank, and on the same days two cheques were drawn by Alderman Kennedy, Mr. Cameron, and himself, in favour of Mr. James, for the like amounts.

Do you know whether any loan had been obtained by the directors of the Royal British Bank for the purpose of making it appear that the account in the Bank of England was larger than it actually was?—Not to my recollection.

It is a matter of considerable importance, and about which one would think your memory would enable you to answer with certainty. I ask you again, are you not aware that the directors of the Royal British Bank borrowed money for the purpose of paying in to the credit of their account with the Bank of England, in order to swell up the amount standing to their credit at the time they commenced business?—Speaking from my recollection at this moment, I cannot say that I do recollect the circumstance.

Is that the only answer you give to that question?—That is my answer.

Can you pledge your word that no such loans were obtained?—I should think not, from the imperfect recollection of the circumstance of that day. I should not like to pledge myself to any statement that was not coincident exactly with my recollection. If it had been so, I should have no motive in concealing it, Mr. Linklater—at least I should give you my most straightforward impression.

Do you believe it to be true that loans were obtained on behalf of the directors, for the purpose to which I have alluded?—I do not recollect the circumstance.

Do you believe it to be true?—I cannot give an answer satisfactory to myself to that question.

Again I must ask you, do you believe it to be true? Pray attend to the question—do you believe it to be true? I do not wish to attribute your hesitation to any unwillingness to answer.—Not at all; I am only considering what answer I can give truthfully.

I must have an answer to that question.—I have no recollection of the fact.

That is no answer.

The Commissioner—What is your belief upon the subject. If you have no belief one way or the other, of course you will say so.—To be very candid with you, I have no belief upon the subject. My mind is a blank upon the subject entirely. I have no belief.

Mr. Linklater—We will take your answer as such. I observe it is stated in the account to which you have referred, and which we will mark A, that there were 86 shares allotted to Mr. Cameron, upon which the first and second instalment would be £4,300.—I dare say there were.

Did the directors receive from Mr. Cameron his promissory note for that amount?—I have no doubt they did.

Did Mr. Cameron ever pay one farthing of those shares?—In money?

Did he ever pay one farthing of those shares?—I cannot say that he did, but we held him strictly responsible, believing that he was able to assume the responsibility of them. Mr. Cameron was then looked upon as a man of means, quite equal to that obligation.

There was Mr. Cameron's promissory note for £4,300, a portion of what



the directors represented as the paid-up capital?—I presume it was so. It states the fact here, and I have no doubt that is correct. I was present at the meeting of the 14th of October, 1849, when a loan of £7,500 was made to Mr. M'Gregor, and a sum of £1,000 was divided amongst the directors for their services in 1849, and which was represented as preliminary expenses upon the formation of the bank in November following, and which amounted to £9,523 11s. 10d. before commencing business.

Mr. Linklater—And that £1,000 was a sum which the directors took for themselves without letting it appear in the books at all. Now, what proportion did you take?

Mr. Esdaile—I cannot recollect; but the largest sum was taken by the then governor. On the 19th of November, 1849, the sum of £500 was awarded to the governor for his important services, and £600 to the directors. The total loss to the bank through Mr. Mullens was, I believe, from £8,000 to £10,000; but that was not known until after his decease. I was present at the meeting recording the talent and amiable qualities of Mr. Mullens, on the 13th of December, 1853. I remember Mrs. Goodrich applying for some deeds which had been lodged as security for the advances to Mullens, and which she represented had been deposited without her authority, and they were returned to her.

Mr. Linklater—We have heard of a small private pocket ledger kept by Mr. Cameron, the manager. Is this it? (Producing an immense ledger, amidst much laughter.)

Mr. Esdaile—I believe it is. I do not remember seeing it, except on Mr. Cameron's table, until after I became governor in February, 1855.

Mr. Linklater here called the attention of the Court to the petition to Her Majesty in Council, dated 2nd June, 1849, signed by John M'Gregor, M.P. for Glasgow, Apsley Pellatt, Alderman Kennedy, Edward Esdaile, Esq., and the other directors, representing that £50,000 had been paid up on 1,000 shares, and upon which misrepresentation the lords reported that the provisions of the 7th and 8th Vict. for regulating joint-stock banks had been complied with, and the charter was obtained.

Examination in chief resumed.—The directors had many applications for shares from persons residing at Newcastle-upon-Tyne, which had been canvassed by Alderman Kennedy and Mr. Cameron. A cheque for £610 was afterwards drawn in favour of Mr. Mullens, to enable him to go down to obtain a transfer of those shares, as the depositors refused to sign the deed of constitution. On the 26th of October, 1849, the deposits were returned to the amount of £610.

Mr. Linklater—This your Honour will find was illegal, by the 7th and 8th Vict., without the consent of the law officers.

Mr. Esdaile then proceeded to state that after he was elected governor, on the 1st February, 1855, his attention was drawn to the ledger, and he found that accounts had been opened with several of the directors of the bank, and that Cameron was indebted on his discount account above £15,000. In August, 1854, Cameron lent him £500 on his promissory note, which was paid by him in February following. The cheque was drawn upon the bank with which his promissory note was discounted. It was purely a simple transaction between himself and Mr. Cameron, and he might state in explanation that it was thought desirable to double the qualifications of the directors, and he borrowed the money of Cameron to enable him to take up ten extra shares. He did not take the pains to apply to the finance committee to know if Cameron had applied for permission to discount his promissory note; he never had any drawing account himself at the bank. From the time he became governor, in February,



1855, to the closing of the bank, Cameron's account had increased from £15,000 to £19,146. Himself and the other directors had frequently taken steps to compel Cameron to reduce his account, but had been unsuccessful.

His Honour—What I want to know is, if that £19,146 was advanced on Cameron's personal security?

Mr. Linklater—Yes, and upon shares.

Examination continued—He was aware that by the deed of settlement they could not legally advance money on shares of the bank. In February, 1854, they advanced £820 to Mr. Thomas Chandler, one of the auditors of the bank, on nineteen shares and his promissory note, which had not been paid. In July, 1854, Cameron advanced Humphrey Brown, M.P., £1,000 on the deposit of some shares as security. From May, 1855, to July, 1856, the other directors and himself repeatedly referred to Cameron's account, and they found it generally increasing, but sometimes decreasing. At the half-yearly meetings of shareholders in February, 1856, and June, 1856, Cameron's account was returned as a good asset. They had five or six different sorts of securities, but at present he could not describe them. The bank had lost by the Welsh works £120,000, subject to what would be obtained for them. This expenditure was also represented as a good asset in June last to the shareholders, as they had hoped to raise a company by shares. Messrs. Fuller and Horsey were instructed to sell the mines. On the 27th of June, 1854, the directors came to a resolution as to the reserve bid. The reserve bid was to be £53,000: there was no bidder. At that time advances had been made on the mine to the extent of £75,000. He did not know that Mr. Apsley Pellatt had retired from the direction on account of some irregular transactions in connexion with these mines. In May, 1855, he had come to the conclusion that there would be a very great loss on the mines except some desirable arrangement could be made. There was, however, a belief that this might be avoided by means of the formation of a limited liability company. Mr. Walker, a lawyer, was the person employed in getting up the company, but he did not know where he lived. He was a young professional man, and he believed he resided in London. Walker thought that access might be got to certain parties of wealth and position who would take up the company.

Mr. Linklater—Their names?

Mr. Esdaile did not think it would be right to give their names.

Mr. Linklater—It is all-important that you should do so.

A gentleman in court said Walker had been a clerk in his office for nine months, since which time he had not seen him.

Mr. Esdaile's examination continued—Mr. Thompson, civil engineer, had been employed by the directors in the matter of the mines; he had not given it up as a hopeless case, but for other reasons.

Mr. Linklater asked Mr. Esdaile to refresh his memory by a reference to the minutes of the bank of the 26th of August, 1856, in which the name of Mr. Francis Walker was mentioned.

Mr. Esdaile referred, and said that it was probably towards the end of July, 1856, that the negotiations took place with Walker.

Do I understand you now to say that you represented that which you believe to be true when, in the accounts ending June, 1856, you stated the Welsh works to be a good asset to the amount of £120,000?—Well, we did feel, and we were prepared to say, that the eventualities would be such as produce a loss to the bank upon that—

I do not want to interfere with the exercise of all the eloquence of your vocabulary, but I want an answer—yes or no. Do I understand you to represent that you believe you were stating the truth when, in the accounts



ending the 30th of June, 1856, you represented to the shareholders that the Welsh mines constituted an available asset of the value of £120,000? It is a plain question, let me have an answer—yes or no?—It is not a question that I can give a plain answer to. We may have had, and must have had, of course, certain anxious feelings with regard to what the future would bring about as to that property, but we were not prepared to say that there would be a loss before that loss was proved. I therefore cannot give you a yes or no answer. I can only give you such an answer as is present to my own mind.

I must ask you, Mr. Esdaile, upon the obligation of the oath you have taken, whether on the 30th of June, 1856, you believed the Welsh mines to be of the value of £120,000? Do not hesitate so long.—I am obliged to hesitate, because at that time we were in confident hopes that we might make arrangements by which the property would be redeemed, that those advances would be redeemed.

Had not Mr. Donally been in communication with the bank in reference to the sale of these mines?—Years before.

What do you call years before—1855?—No, 1852.

Mr. Paddison—1852 or 1853?—The mines had not been developed at all because we had not laid our railway down. We had not opened our slips or extended our cutting and other things. The property was in a very different state.

Mr. Linklater—I will ask you until I get an answer. Do you or do you not believe that you were making an honest representation to the shareholders in telling them that the Welsh mines were an available asset to the amount of £120,000?—I can only make the same answer that I made before.

With that answer I am not satisfied.—I cannot give you any other. I can only say that at that time we did not believe amongst ourselves that there would be a loss upon that property. There is no question as to its lost power of development.

The Commissioner—You would have sold it for £53,000 if you could?—But since that time we have done a good deal. We made a very large extra outlay upon it.

After 1854?—In fact the principal outlay was subsequent to that period.

Subsequent to the expected sale of Messrs. Fuller and Co.?—Yes. Perhaps, while we are upon that property, it may not be considered germane to the question to say, that the value of the mineral property depended almost entirely upon the railway communication we could make to it. Had we succeeded, which we fully anticipated doing, in introducing our coke fairly to some of the leading railways, I think that there were the elements of redemption on that account, and indeed, it is that feeling, Mr. Linklater, which makes me hesitate to give you a straightforward answer, which you think I am shirking, which is no such thing. I repeat it, the coal was of great value for railway purposes, and had we been in a position to have opened a free access to the Great Western, the South Devon, or to the South Wales, or even to run up to the Midland, such a new and important feature would have been impressed upon the whole thing that I do believe, and we believed up to that very time, within a week of our stoppage, that there would be the chance of ultimate realisation, and, therefore, you must not press me to say whether I am prepared to admit that we were making an honest statement.

In the balance-sheet ending the 30th of June, 1856, submitted to the shareholders on the 1st of August, did you not represent the bank as solvent?—It is impossible to say we were not deficient. We were sanguine



of surmounting the difficulty by the extension of business and the increase in capital.

Were you not aware that the whole of the subscribed capital was lost?—I can't deny but that were in jeopardy. I can't say lost, while there was a chance of redeeming the Welsh property and realising Mr. Humphrey Brown's security.

Mr. Linklater—How much out?—It would depend on the estimate at the time of the value of the securities.

Mr. Linklater several times asked if the account given in February, 1856, was true or false; and Mr. Esdaile said he could not deny that it conveyed an erroneous impression.

Did you, Mr. Esdaile, as governor, sanction those accounts, knowing them to be false?—A long pause, and no answer.

Question repeated—No answer.

I again ask whether you did not know the accounts to be false?

Mr. Esdaile (warmly)—By this question you are charging me with an untruth, which is foreign to my nature. I will not answer the question in that way.

Mr. Linklater—In your anxiety to protect the shareholders, did you not give a statement which was false?—It was not strictly justified by truth.

Mr. Linklater—I find, in the accounts ending the 30th of June, the gross profits, after making allowance for bad debts, interest on promissory notes, &c., amount to £15,069 15s. 6d. Was there any profit?—Yes.

Mr. Linklater—Were not bad debts to £100,000 taken credit for as assets?—You mean including advances to directors. (Question repeated.) Adding reserved fund and increased capital, there was a large margin.

Mr. Linklater—Was not the representation untrue?—It was certainly not borne out by the analysis.

Did you believe it made a sufficient reduction in the bad debts?—No; but in the course of years we hoped to find it sufficient.

The Commissioner—You wanted to throw the present losses on future generations.

Mr. Linklater—In the £810,000, were not debts included as assets which had been bad for years?—Thought as doubtful. We received £13,000 last year.

Mr. Linklater—But a large amount?—Yes.

Mr. Linklater—Knowing them to be bad, did you not insert them as good, intending they should extend over future years?—Yes.

Mr. Linklater—Did not the bad and doubtful debts exceed £150,000?—They must have.

You knew that in August, 1854?—Yes.

And in December and June, 1855?—Partially.

Mr. Linklater—Then those statements made to the shareholders were untrue?—Yes, with some explanations.

Then you knew there should have been no division of profits in 1854, 1855, and 1856?—If we were governed by the principle of meeting every obligation that appeared on our books.

Question repeated.—Yes.

At the time Mr. Paddison, the solicitor, wrote to the Board of Trade for a certificate under the supplemental charter, did you know you were in a state of hopeless insolvency?—No; only embarrassment.

The Commissioner—You could not have paid your way without new capital?—No.

Mr. Linklater—You became governor in June, 1855; and did you then believe all the capital to be lost?—Mr. Esdaile—We believed we should



have recovered Cameron's debt, and that Humphrey Brown would pay. In June, 1855, he did not know all the capital was lost, but believed it to be compromised. Went on paying dividends after that. Believed Alderman Kennedy was not aware of the position of the bank, but could not say he did not know it to be insolvent. The new shares were issued at a premium.

After some further examination of a less important character, the sitting broke up.

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*Court of Bankruptcy, Basinghall-street, March 18.—(Before Mr. Commissioner HOLROYD).*

THE ROYAL BRITISH BANK.—EXAMINATION OF THE GOVERNOR.

The examination of Mr. Edward Esdaile, the late governor of the bank, was resumed this morning,

The Commissioner took his seat shortly after eleven o'clock.

Before the regular examination was commenced, Mr. Esdaile wished to make a statement in explanation of something which he had said at the last meeting. In answer to questions by Mr. Venning, he said, the promissory note produced for £500, is the one given by me to Cameron. The transaction arose out of the proposal that we should double our amount of shares. It was simply a private transaction between Cameron and me. I was not aware that the money came from anywhere but his own private resources. In point of fact, the note was never either discounted or endorsed.

Mr. Linklater said, the explanation left the matter just where it was.

Mr. Venning—With this difference, that he never availed himself of his position as director to make use of the funds of the bank.

By Mr. Linklater—I believed that the £500 came out of Cameron's own private account with the bank.

Did you not know that it came out of the coffers of the bank?—Only from Cameron's private account, which I had no reason to believe was other than in credit.

Mr. Venning—He drew upon his account at the bank as he would have done to pay his butcher.

Mr. Linklater—He might as well have drawn upon Aldgate pump. (Laughter).

Mr. Esdaile—My acts, as regards raising the capital of the bank, were simply in conformity with the advice of Mr. Mullins, our solicitor at the time. Of the £1,100 drawn by the directors for their services, I find, by reference to my own private ledger, that I received £80, which, I presume, would be about 15s. for each attendance. The money returned (£610) to the Newcastle shareholders was no part of the capital certified to the Board of Trade. I am giving my belief. The increase in Cameron's balance, from £15,000 to £19,000, after I became governor, was principally owing, to the extent of £3,500, to a very informal transaction of his with the bank in its earlier period. He directed the then accountant to transfer £3,500 to the Three per Cents., which was afterwards transferred to the British Linen Company, shares of which company were placed in Mr. Crauford's hands as security. The £3,500 was only debited to Cameron's account a few days before he left the bank, entirely without our knowledge. It was first brought to my knowledge by Mr. Crauford. I had no account in the green ledger—neither drawing, discount, nor cash account. I wish to take this opportunity of stating that, at the closing of the bank, the impression on our minds was that we had still the chance of redeeming the loss on the



Welsh mines; for we had in our hands the report of a professional man—Mr. Thos. T. Strick—showing that the property was capable of yielding £16,000 a year. Very shortly before, we had been in treaty with parties who were ready to give such a royalty on the property as would have increased its value. Under those convictions, we did not feel justified in putting it down as a doubtful asset. On the last occasion, in referring to the causes of our failure, I did not allude to any other bank, but to the attacks that had been systematically made upon us. I did not wish to throw out any imputation on any other establishment.

By Mr. Linklater—I became governor in February, 1855, and was deputy-governor for a year before that. Mr. Frederick Clarke was a director at one time—possibly, from February, 1852, to May, 1853.

Did you ever hear, in the early part of 1854, that the bank had been insolvent from February, 1852?—Not to my knowledge.

(Question repeated)—Certainly not.

You never heard that?—Not to the best of my knowledge.

You just now said, certainly not.—Then I repeat it—certainly not. Mr. Clarke, on retiring from the bank, became manager of the Welsh mines. The letter produced, written by him, dated 30th May, 1854, I may have seen before. It is addressed to Mr. Paddison. This is only Mr. Clarke's personal opinion.

Mr. Linklater proposed to read the letter.

Mr. Venning objected. It was not competent to introduce into this examination a letter of a third party expressing an opinion that the bank was insolvent. That was one way to damage the creditors.

The letter was as follows:—

“29, Great Tower-street, London, May 30, 1854.

“Without prejudice.

“Sir,—I have received your letter, and will not express my surprise at its contents, after the monstrously ungrateful and unjust conduct I have before received from your clients. I found the bank absolutely insolvent when I joined it, through their previous bad management, and made the most self-sacrificing efforts to redeem it without any prospect of reward until I had first accomplished their emancipation, and this is the reward. But a day of reckoning will come. In further reply to your letter, I have only to say, that I had thought that the time for my personal interference in the matter had gone by; but were I disposed again personally to interfere, I do not see how I can be prepared to come to such an arrangement at once as may be satisfactory to the bank, without having before me the terms of such arrangement, which your letter does not contain.

“I am, sir, yours respectfully.

“FREDK. CLARKE.

“R. Paddison, Esq.”

Mr. Esdaille—I have no idea what Mr. Clarke means by the expression “monstrously ungrateful and unjust conduct,” nor have I any recollection of being told before that time that the bank was insolvent. The letter was read at the Court after it was received. Mr. Clarke had brought an action against the bank for his loss on the Welsh property, and the bank brought a cross action for breach of contract. It appears, from a subsequent minute, that the actions were compromised by the payment of £2,000 by the bank.

Was that compromise effected by the directors because they feared the exposure of that trial?—I should say it was. I believe the late Attorney-General said the directors would be mad to let that action be tried. I am at a loss to know why. During Mr. Charles Walton's illness, while he was governor, I frequently filled the chair. In January, 1855, I became aware that a large sum appeared to his debit.



Did you then know it for the first time?—I swear that my knowledge of the state of his account was derived from the green ledger. I was in error in stating that I did not see that book till I assumed the chair myself. Cameron was in attendance at the bank up to the 1st February, 1855. I might have seen the green ledger as early as the 12th January, but did not know what accounts it contained. I don't think I knew the state of Mr. Walton's account from the green book. It might have been from his discount slip-book. I might have known in two or three ways. I dare say I then learned that Mr. Walton was indebted to the bank upwards of £42,000. That led me to inquire into the securities. I believe that was before the 1st February. To the best of my belief, it was that circumstance which led Mr. Spens, Mr. Vaillant, Mr. Alderman Kennedy, and myself, to resolve that Mr. Walton ought no longer to fill the chair. It is very likely that I heard in January, 1855, that the bank must stop if the governor and two other persons failed; also that six others would stop from the same cause. I believe that led me to look into the accounts.

You told us on the last occasion that it was the account of Mr. H. Brown which led you to look into the subject?—They were both mixed up together. Mr. Walton had discount transactions with Mr. H. Brown, and the security was the mere deposit of ships' papers.

Without any entry on the registry?—That I believe was the irregularity. At a Court of directors, in the early part of 1855, Mr. H. Brown might have said that it behoved us to look into the 71st clause of the charter, with a view to the position of the bank. It was not mooted as a question whether the bank should close its doors. I don't remember Mr. Brown saying he was prepared to prove that the bank had come within that clause, and that he would speak to the Attorney-General in the lobby of the House of Commons some fine morning on the subject. It was very unlikely he should say so. I have already admitted that the directors were anxious about their position. I do not remember its being said that the Attorney-General would be an awkward customer to mention the matter to, after his being concerned in Clarke's action. I have no recollection of Mr. Kennedy saying to Mr. Paddison that, if the directors continued to carry on the bank, they must do it on their own responsibility; or of Mr. Paddison replying that they must do so if they were within the 71st clause.

Was not the result of that discussion the determination to issue new shares?—No; I think not. That was quite a separate matter. Mr. Paddison will correct me if I am wrong.

Mr. Richard Paddison, the secretary and solicitor to the bank, was here sworn. He said, I was secretary and solicitor to the bank for two years before it closed. Before that, my partner, Mr. Mullins, attended to legal and confidential matters. I had merely to do with matters of routine. In March, 1855, there was a discussion at a Court about the terms of the 71st clause of the charter. Mr. H. Brown introduced a series of observations with regard to the position of the bank. Mr. Alderman Kennedy was present. Mr. Brown, in a long rambling speech, said he was prepared to prove that the bank had sustained such a loss as would bring it within the 71st clause. He said the loss on the Welsh works alone would bring it within that provision. Mr. Esdaile was present at all this discussion. Mr. Brown referred to an offer made for the works through Mr. Albert Dummeller, and to the fact that the board had fixed £40,000 as the reserve bid on the works when they were offered for sale by Fuller and Horsey. He referred to the loss by Oliver, said the shareholders ought to be called together, otherwise the directors must carry on the bank on their own responsibility, which he objected to do. He also objected to the issue of new



shares, and said he should lay the case before the Attorney-General, but without naming the bank concerned. I got up to make some observations in reply, and pointed out that Mr. Brown was mistaken as to there having been an offer to sell the Welsh works for £40,000, or having fixed the reserve bid at that amount. Mr. Alderman Kennedy asked me as the solicitor, if Mr. Brown's assertion was correct, that the bank, if carried on at all, after having sustained such a loss, must be carried on on the directors' own responsibility. I answered, undoubtedly; but it is for the directors to inquire and ascertain whether they have sustained such a loss or not, and whether there is any chance of their retrieving their position. I objected to Mr. Brown speaking to the Attorney-General, on the ground of the oath of secrecy he had taken, and said it would be impossible to conceal from the Attorney-General what bank was referred to. Mr. Brown made no distinct motion. Mr. Alderman Kennedy observed he was satisfied by the solicitor's observation that they might go on; an answer which rather surprised me, as I had given a very plain answer to a plain question, and had referred the inquiry into the losses to themselves. The discussion then dropped.

Mr. Esdaile's examination was resumed—I believe Mr. Paddison's statement to be correct. We did not understand Mr. Brown's motive for mooted the question at that time; and seeing how much he was indebted to the bank, we thought he had some ulterior motive.

Mr. Linklater—Did you think he was putting the screw upon you?—I dare say we thought that he wanted to get more accommodation, but I treated the matter with perfect indifference.

Mr. Linklater—Perfect indifference?

Mr. Esdaile—Once or twice in 1855 Mr. Cameron called the attention of the directors to the 71st clause. Mr. Spens was a director from July, 1854, to May, 1855. I don't think his retirement was discussed at the Court. I don't recollect Alderman Kennedy saying that Mr. Spens' retirement was a very serious circumstance, and one requiring their serious consideration. It might be so. He might have said that it behoved us to ascertain how far we were really compromised by the various untoward circumstances that had befallen the bank—the Welsh mines, Brown's debt, Oliver's debt, and others. I don't know why he should say this more than any other director. Before May, 1855, it is very likely I suggested an inquiry as to the exact amount of bad debts.

Did you make that inquiry?—I don't think a special inquiry was made on that occasion.

Was any inquiry made?—I don't think there was. I don't recollect it at all events. I have no recollection, in May, 1855, of Alderman Kennedy saying it would not do to call the shareholders together, forego the dividend, and make up the lost capital.

Will you swear he did not?—It is out of my power to do that.

Did not you say the better course would be to get some better men on the board and issue new shares?—I might have said that it would be better to get some abler men than ourselves. Mr. Stapleton was induced to join the direction in 1855, not by me.

The Hon. Mr. Stapleton?—So he was described; he was Lord Beaumont's brother. I seconded his appointment as a director, in July, 1855, in place of Mr. Spens. I had no motive in carrying on the bank, except the good of the bank itself. I believed that, if the bank came within the 71st clause, the personal responsibility of the directors was pledged for the losses. I was not a man of substance myself. If my personal debts had been paid, I should have been solvent—I will not say those to my firm or my father.



Mr. Venning submitted that the 71st clause did not render the directors personally responsible. He submitted that the inquiry was irrelevant.

Mr. Linklater—The 71st clause throws on the directors the duty of ascertaining whether a quarter of the capital has been lost, and they are then required to call the shareholders together.

Examination continued—Including the debt due to my father, I was not solvent. Of the call made by the directors on the 17th September, I have not paid a farthing. I have since paid my father £4,000; he held security for the amount on the business. In January, 1856, I don't think I contemplated retiring from the direction. I might have had a wish to do so. I think I expressed that wish to some of the directors in a note which I wrote. It was in consequence of one gentleman whom I suspected would not attend the general meeting in February, 1856 (I don't remember who it was), that I tendered my resignation. I don't think his refusal was because he thought the bank was in a state of insolvency. I forget what was the reason assigned.

Did you tell him the best way was to present a solid front to the public, and not to dangle a rope of sand before them? (Laughter.)—I don't recollect using that expression.

Is not this your letter, dated from the Royal British Bank, and addressed to Mr. Owen, the deputy-governor?

"My dear Sir,—I address you as the deputy-governor of this corporation. Information has been conveyed to me, and subsequently corroborated, that it is the intention of another of our board to quit us. In the previous position of the bank, those untimely secessions, exhibiting to the world our apprehensions, if not our dissensions, seem to me so reckless towards the institution itself, and so suicidal to our individual interests, that I have no alternative left me. I will not be placed in a false position. If you, or the general manager, cannot satisfy me, by personal assurance from each of my co-directors, that they will support me with their presence and countenance on our forthcoming annual meeting, I shall abstain from entering the court-room again; and in that case you will, if you please, place the accompanying notice of my resignation in the hands of the general manager. Our highest policy is to present a solid front to the public; our weakest conduct, is to dangle a rope of sand before them—(laughter)."

"I am, dear sir, &c.,

"EDWARD ESDAILE."

"We want courage and coolness, and, with God's blessing, our difficulties will be surmounted." (Great laughter).

Mr. Esdaile—That is my letter; and I hope, Mr. Linklater, you will never be in circumstances to have to pen such a one.

Mr. Linklater—I trust not, with all my heart, Mr. Esdaile.

Mr. Esdaile—I ought never to have been in such a position.

Mr. Linklater then read the report presented at the meeting in February, 1856, announcing the issue of 3,000 new shares, and declaring a dividend of 6 per cent.

Was that report circulated with your sanction?—Yes.

Did you tell Mr. Stapleton the position of the bank before he joined?—I cannot say I did. I was not the party introducing him.

You merely helped him in. (Laughter.)—I dare say I said to Mr. Cameron that I thought he ought to mention to Mr. Stapleton the position of the bank.

Are you sure of that?—I cannot swear to it.

Do you believe you did?—It is very probable I did. I think I may say so.

Is that your letter, addressed to Mr. Cameron?



"City Saw Mills, Feb. 20, 1856.

"Dear Sir,—There are some matters connected with the internal discipline of the bank with which the directors are not satisfied, and they deem it expedient to confer with you on the subject before another gentleman altogether strange to the institution joins the board. Inasmuch as Mr. Stapleton has, it appears, received intimation that you are a debtor to the bank without adequate security being deposited in our hands, it is considered only right and consistent that these matters affecting your position as the executive of the corporation, and the peculiar custodian of its securities, should be (for the reason just now assigned more particularly) adjusted. A twelvemonth has elapsed since this matter was first mooted, because then first known; and I believe you will not impute any undue or indelicate pressure on this point and others to myself or colleagues in the interim. Will you, therefore, oblige Mr. Alderman Kennedy, Mr. Stapleton, and myself by meeting us privately and specially in the board-room, on Friday morning (*i. e.*, to-morrow), at 11 o'clock, at which hour these members of the board will attend?"

It is. That was in February, 1856. I knew of Cameron's debt of £14,000 in February, 1855, but I did not tell Mr. Stapleton one word of it when he came into the direction in July, 1855. The last half-yearly meeting was in August, 1856. It might shortly before that have been matter of conversation as to calling the shareholders together under the 71st clause. Our general position of course was. At the general meeting in August, 1856, a report was presented, setting forth the solvency of the bank, and declaring that especial provision had been made for bad debts.

Mr. Linklater—And the shareholders were kind enough to pass a vote of confidence in the directors?

Mr. Esdaile—A vote of confidence in their personal honour and integrity. In that report we state that Mr. Cameron had retired, not that he had been displaced by the directors—for a very good reason—we did not wish to attract public attention to our disagreements. Had we done so, the bank would have been a closed concern, and we were not prepared to close it. Such a step would have increased the distrust that had been excited against us by some portion of the press. The vote of confidence in the directors, though general in its terms, was meant as a personal matter to the directors. The report stated that the business at the Holborn branch was progressing satisfactorily. So it was.

Mr. Linklater—That is, deposits were coming in fast? (Laughter.)

Mr. Esdaile—Yes; that is the only business of a bank.

Is it not also their duty to pay them?—Yes. All the reports prior to that of August, 1856, were signed by the general manager. This one is not so signed. I have no recollection of Mr. Crauford and Mr. Paddison refusing to sign it; but I decline to swear on the subject, from the absence of all belief. In June and July, 1856, it is improbable that I got parties to buy shares. I did not introduce a single shareholder.

Mr. Linklater—Then I will give you an instance of what you have done. Do you know this gentleman, Mr. Goddard, now a bankrupt?—I have seen him before. I saw him in the bank, before the general meeting. He might have told me he had purchased four shares at a discount, and had been offered more; but he was very uneasy. I believe he asked me if I could account for the depreciation in the market value of the shares. I swear I did not say there was no cause at all. I may swear I did not speak in the most flattering terms of the bank. My present impression is that I could not have done so.

Will you swear that you did not?—(After appealing to the Commissioner)  
—I will not swear it. I might have said our appearance at the South Sea-



house was bringing us additional custom, and that we had opened several new accounts.

Did you not tell him, if he would go into the market and buy shares to the amount of £1,000, the bank would take his bill for the amount?—I believe I did say so. I knew that he was a respectable tradesman. He might have said that if he knew he was safe he would not object to buy. I have no recollection of his asking if all he could possibly lose was the amount of his shares. I will not swear I did not hold up my hands and say that nothing so bad could possibly happen. I don't recollect his referring to the last half-yearly report. I will not swear he did not. I might have advised him to buy shares in that particular way, by offering to lend him money. I think I suggested that he would serve the bank by doing so.

Mr. Linklater—And ruin himself. Was it in these words, "Don't buy as cheap as you can; buy as dear as you can; you are interested in keeping up the bank; you are a shareholder. Don't doubt that the investment will prove a profitable one?"—I believe I said something to that effect. Up to that time we had never speculated in the market in our own shares. Feeling at that time that we might check the depreciation, I gave this advice to Mr. Goddard, whom I knew to be a respectable man. I distinctly deny that I knew I was placing him in a position in which he would be damaged. He was the only person I advised to buy shares. Mr. Crawford was then the accountant. Very likely he came into the room, and said he knew Mr. Goddard very well. Very likely I said I should be happy to see Mr. Goddard at any time, as I should to any customer of the bank. I know Mr. Louis Marcus, a shareholder and depositor. I sent for him in August, and offered him money to go into the market and buy shares. I don't recollect the amount. We looked upon Mr. Marcus as a substantial man. He would not do it. I have no recollection of this offer being made to any one else. I know that Mr. Cameron was at Scotland in June, 1856, but don't know that it was for any business purpose.

Mr. Linklater—Why, did not you write to him "to hunt up the game?" (Laughter.)—If I did, it was because he was on a shooting excursion.

But was he not then endeavouring to get Sir James Matheson to become a director, as well as trustee?—Yes; but it is unfair to distort the meaning of a term in this way. I have no recollection of the term "hunting up," but it is one I should very likely use. Until I opened the green ledger, in February, 1855, I did not know that Mr. H. Brown had had advances on shipping securities. I did not say I did not know till then that he was a debtor to the bank. I attended the general meeting of shareholders on the 20th of September.

Did you tell them that you did not know Mr. Brown was a debtor to the bank, till you assumed the chair in February, 1855?—I don't know. It is properly recorded. I must have said so. I meant to convey the meaning that we did not know he was indebted on unsafe securities. I should hardly be justified in saying we did not know till then that he was indebted to the bank at all. Mr. Owen might have said that the directors never knew of the existence of the private ledger till after Cameron left, in February, 1855. I did not contradict him. He might have said that the directors then first knew of Mr. Brown's debt of £75,000, but that could not have been true. When I assumed the chair, Brown's debt was £23,000; when the bank closed its doors, it was £75,000, not reckoning the securities. The debt had been increased by transferring the debt of Mr. Walton, the retiring governor, to Mr. Brown. It was necessary to do so to obtain security on the shipping property. I am not prepared to say that I knew of Mr. Brown's debt before I assumed the chair, in 1855, though Walton's debt must have



brought it under our notice, but I am not clear on that point. In February, 1855, Brown's account was overdrawn £13,000; during my governorship it was increased to £38,000. This arose from our relieving Walton from his co-obligation, in order to get possession of the shipping securities. From February, 1855, I had Mr. Brown's account continually before me, but the increase was such as we could not avoid; for instance, the payment of policies of insurance on ships, and other expenses, which necessarily swelled the debit. That we were injudicious in relieving Mr. Walton from his obligation, is now, I think, undoubted. The letter produced, dated 17th September, 1853, is one from me to Cameron while he was in the north. It is entirely a private letter, and I don't think you are entitled to read it in a public inquiry of this nature.

Mr. Linklater—I assure you, Mr. Esdaile, I am entitled to read and use everything which can by possibility throw light on this conspiracy. (Applause.)

Mr. Esdaile—Conspiracy! That is rather a strong term to use.

Mr. Linklater—Not stronger than the occasion deserves. The letter is in the following terms:—

“London, September 17, 1855.

“My dear Mr. Cameron,—I was pleased to see your handwriting from Edinburgh, and the feeling of pleasure was enhanced by the somewhat less doubtful prospect you hold out of Sir J. M.'s accession. I find, from the letter of Mr. M'Leod, that both your friends, and I may add ours, Mr. S——n and Mr. P——l, are staying where you are bound for. This concurrence of forces is alike apropos, and, in a military point of view, formidable. (A laugh.) Before this concentrated attack, the Malakoff should, I think, surrender. It has occurred to me, and this is my principal motive just now for writing—as I find Macleod has pen in hand in our service too—it has occurred to me that the progressive increment of our capital should be a good weapon to use with your powerful friend. I can well imagine that one of Sir J. M.'s position should hesitate in connecting his name with a small capital, but that the objection should diminish nearly with the increase. £200,000 subscribed is one thing—£500,000 quite another. And the prospect of eventually (perhaps at no very distant period) converting that figure into £1,000,000 subscribed, so essentially different, that in the latter case no capitalist need be ashamed of the alliance. But all this line of argument or observation, I am sure, is already present to your mind, and it strikes me, is a powerful one to use. On the other hand, every additional £50,000 subscribed, is fortifying his position in regard to liability, and is, in fact, reducing that consideration merely to one of in-put, which, I presume, is no consideration with him to whom I am now referring. We have seen nothing of the alderman since your departure, and nothing as yet of the £8,000; but I presume his ire has not been implacably excited, inasmuch as your humble servant has received from his under-sheriff an invitation to dine with the sheriffs-elect—(laughter)—at their approaching inauguration festival (which, by-the-bye, should have been yours). With regard to finance, which I hardly like to touch upon here, we are not much worse than on Wednesday last in the total; but I quite agree with you that a tight hand should be kept upon all controllable outgoings, and you may depend upon it such shall be the case with us. We have not either seen A.B.'s remittance from Liverpool. Money, with our establishment, seems to be, as a rule, rather centrifugal than centripetal. (Laughter.) How is it with the Scotch whom you have been conferring with? You will see by Saturday's returns that the bullion in the Bank of England has been subjected to another very serious fall, nor do things seem to be comfortable with the Bank of France in the same respect. We have to-day put up a notification of our new issue in the bank here and its branches. As far as shareholders and customers are concerned, we think it may act as an indirect stimulus to the public, as the step we have taken is sure to be talked about out of doors. Take care of your new gun. I do not like new-fangled fire-arms. (Laughter.) A bad



sitting in any part of the structure of the piece, and you need not go so far as Sebastopol for a result. (Laughter.) Wishing you high health, and success to your sport, be the game what it may—(laughter)—believe me to remain,

“My dear sir, yours sincerely,  
“EDWARD E.”

Mr. Linklater—And that was the letter which you thought proper to address to a manager who was in your debt £14,000. and the state of whose account had been concealed from you for years. Pray what is the meaning of the expression, speaking of the sheriff's dinner, “which, by-the-bye, should have been yours?”

Mr. Esdaile—I really cannot call to mind now what that refers to.

I believe the bank had paid for Cameron taking up his freedom of the City?—I did not know that they did, but it may be so. The fact is, we were anxious to do all in our power to strengthen the bank. Mr. Humphrey Brown's debt was largely increased after I became governor of the bank. The security taken consisted of ships. On these Mr. Walton had a first mortgage, which we paid off, and added the amount to Mr. Brown's debt. Above £20,000 was in this way taken off Mr. Walton's debt, and an undertaking was also given to retire certain bills of Mr. Brown's. By that means the bank assumed that they got into their possession sufficient securities, on ships or freights, to cover the debt. Mr. Walton's discount account was gradually liquidated and finally closed. Mr. Walton had introduced Mr. Oliver to the bank as a discounteer. A large loss was sustained by him. Mr. Walton was not liable for that. The transfer of Walton's debts to Brown took place about March, 1855. Brown's debt became thus increased to £50,000 or £60,000. Some of the vessels had been previously mortgaged to the bank by Mr. Walton, but the deposits had not been registered at the Custom House. In November, 1854, five vessels, known as the Gloucester ships, were mortgaged to the bank, but the mortgage was not registered. The ships were then all out on their voyages, and some have since been realised by Mr. Brown without the sanction of the directors. It was an injudicious thing for us to act according to his request: but he wished us not to make the transfer to our names, for the sake of his credit at Gloucester, until the vessels returned. The fact of his having improperly dealt with these vessels came to the knowledge of the directors before August last—at any rate, with regard to one of them, the “Madonna.” In one instance, Mr. Brown paid the proceeds to the bank. The bank has only had the benefit of one of the ships out of five. The “Bride” is mortgaged for £3,000 to Mr. Hartland, but this was done without our knowledge or sanction. The same as to the mortgage of the “Wasp” to Mr. Kendal. We felt much aggrieved, after the trust we had placed in Mr. Brown, in allowing the registers not to be transferred. In August, 1856, Mr. Brown told us that one of the vessels was clear, but in fact it was mortgaged.

Mr. Linklater here asked for an adjournment, on the ground of his own indisposition.

The inquiry was adjourned till Wednesday next.

Mr. Ellis said he was desirous, on the part of Mr. Walton, of an opportunity of giving an explanation of the statements that had been made. He hoped that an opportunity would be given at the next meeting. He might now state that the five ships just alluded to were not any of those that had been passed to the bank from Mr. Walton.

Mr. Linklater, in answer to Mr. Paddison, said that the non-registration of the Gloucester vessels was entirely the act of the directors, for which Mr. Paddison was not at all responsible.



The examination of Mr. E. Esdaile was concluded at the Court of Bankruptcy on the 25th of March, when further details were elicited exhibiting the recklessness of the conduct of business, but absence of space prevents our giving an abstract in this number. The announcement of an additional dividend of 2s. or 2s. 6d. in the pound was hailed by the creditors with great satisfaction.

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## Banking and Commercial Law.

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### ON THE LAW RELATING TO SALES AND PLEDGES.

THE public attention has been drawn to this subject by the late case of *Kingsford v. Merry*, and a public meeting was held at the London Tavern, on the 19th of January last, at which Baron Rothschild presided, for the purpose of procuring an alteration in the law.

This drew into the field Mr. Freshfield, the solicitor to the Bank of England and to many eminent mercantile firms, as an opponent, and Mr. Lavie, also solicitor to many equally eminent mercantile firms, as a supporter of the proposed alteration. Mr. Freshfield considers that such proposed alteration will establish "that possession of goods, however acquired, or of the documents of title to goods, shall constitute a good title in the holder to dispose of them without the knowledge or concurrence of the true owner." This he considers, "is a direct violation of the law of England, as settled and acted on hitherto, and a retrograde step in the progress of civilization."

On the other hand, Mr. Lavie, agreeing as to the nature of the alteration, says:—

Looking to the immense transactions daily going on, looking to the enormous advances on the security of bills of lading and warrants made by the bankers and merchants, looking to the vast capital which is thereby applied to meet the demands of commerce, looking, on the other hand, to the few instances, comparatively, which arise of theft or fraud, and to the still fewer instances, of fraud or theft being committed, except from some negligence or folly of the true owner; looking to and contrasting these two sides of the question, I confidentially repeat the inquiry—on which side is the greater evil? On which of the innocent parties is it most just, and most for the true interest of commerce, that the loss should fall? Everybody must feel regret that frauds or thefts should ever take place. But do not let us be startled by being told that we are making a retrograde step in the progress of legislation, or that when we are giving validity to a *bond fide* advance or purchase, we are giving any license to cheat or steal, or really increasing the laxity of morals, of which, I agree with my friend, the times give too many symptoms."

The case of *Kingsford v. Merry* is a peculiar case, and it is



possible that the law may be right, and that it may be inexpedient to alter it, but yet that that case has not been rightly decided. The facts are thus stated by Mr. Freshfield:—

“One Anderson, since convicted of forgery, was in negotiation for the purchase of nine casks of tartaric acid, and wished to inspect the goods. To enable him to do so, the broker lent him delivery orders of the goods. Anderson, upon these orders, got the goods delivered to a public warehouse named by him, and had them there entered in his own name. He then applied to Messrs. Merry for a loan of money on the goods, which they agreed to make on having the warrants. Anderson went to the warehouse keeper, got warrants, and pledged them with Messrs. Merry. Anderson not having repaid the money, Messrs. Merry sold the goods, and the original owner afterwards came forward and sued Messrs. Merry for them. The Court decided that Anderson was a mere thief, that the borrowing orders to inspect and then obtaining delivery was a robbery, and that the owner might follow his goods!” Mr. Freshfield then makes the following highly important remarks:—“Whether the Court were right or wrong in their view of the facts, is not material to the public. *Perhaps a jury would have decided differently.* But the parties had consented that the Court of Error might draw such conclusions from the evidence as a jury might have drawn, and the view the judges took of the facts does not concern the public because it is confined to the particular case.”

From this statement, it appears that the documents of title were entrusted to Anderson, to enable him to inspect the goods; and here lies the cause of all the mischief, and it may well be asked, why need this have been done? Was it not possible to have issued an inspecting order?

By reason either of misplaced confidence or of negligence, Anderson was enabled to commit the fraud; and, as there seems to us to have been no imperative necessity requiring the exercise of confidence or the dispensation of caution, the ordinary ideas of justice would have been answered better by fixing the loss on the party who thus enabled the fraud to be perpetrated.

It may, therefore, be the fact, that an injustice has been committed upon Messrs. Merry, and yet that any alteration of the law would not be expedient. The error, perhaps, arises from having had a question proper for the decision of a jury submitted to judges, and the fault may rather rest on the verdict, as regards the facts, than on the decision as a declaration of the law.

It must be remembered that, in every transaction in life relating to the purchase or pledge of goods, the buyer or lender trusts to some extent, and often wholly, to the integrity of the party he is dealing with. Sometimes this leads to apparent hardship; but to arm every person, without distinction, who is in the possession of goods, with the power of conferring a good title to them as against the real owner, would be found to be attended with such results that it would probably not be endured



for any length of time. The discussion of the question may do good, but, however sound the arguments may be on either side, it is probable that utility and convenience will really decide it. If bankers and merchants find the balance of evil, as manifested by their practice, to require an alteration in the law, such alteration will, no doubt, sooner or later be made, but if, on the other hand, their experience teaches them that greater evils than the present would flow from rendering caution on the part of the buyer or lender wholly unnecessary, and giving the possessor of goods and documents complete power over them, then the law must remain in its present condition.

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## Legal Miscellany.

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*Court of Exchequer, Feb. 24.—(Sittings at Nisi Prius, before the CHIEF BARON and a Special Jury, at Guildhall.)*

THE SADLEIR FRAUDS.—GINGER v. LAW.

Mr. Hill and Mr. Millward were counsel for the plaintiff; Mr. Edwin James and Mr. Hannen appeared for the defendant.

This was an action in which the plaintiff sought to recover damages from the defendant for an alleged fraudulent representation as to the value and condition of certain shares in the Tipperary Bank as an investment, and the honesty of a prospectus and balance-sheet relating to the same, on the faith of which the plaintiff had been induced to purchase forty of such shares. A second count treated the representations of the defendant as the foundation of a contract, for the breach of which the plaintiff sought to recover the purchase-money, amounting to £500; and a third count was for money had and received. The defendant pleaded not guilty, and a denial of the allegation that the plaintiff was induced to buy the shares through the representations of the defendant, and never indebted as to the money counts. The circumstances under which this action was brought, and the foundation on which it rested, appear in the material parts of the evidence adduced on the part of the plaintiff, which we subjoin:—

Mr. Harris—I am now manager of a bank at St. Albans. In 1855 I was manager of the London and County Bank at Hemel Hempstead. I was acquainted with Mr. Ginger, the plaintiff, as a customer. Mr. Law, the defendant, was one of our directors. On the 7th of April, 1855, I received this letter from the defendant:—

“14, Mansfield-street, Cavendish-square,

“April 7th, 1855.

“Dear sir,—I enclose you a paper embracing the prospectus and last annual report of the Tipperary Joint-stock Bank.

“As our shareholders will be unable to obtain any greater number of the new shares of the London and County shares than they can absolutely claim, it has occurred to Mr. Sadleir that some of them might like to become shareholders in one of the other established joint-stock banks. To meet the wishes of such persons, Mr. Sadleir has secured a certain



number of shares in the Tipperary Joint-stock Bank, in which he is and has from its foundation been a large shareholder, at a premium of £2 10s. per share, and I am authorised by him to place at your disposal a number not exceeding 200, upon the sale of any of which you will be at liberty to retain for your remuneration a commission of 10s. per share. Should it be more convenient to any of your purchasers, they can have the option of paying a first instalment of £5 per share, and the residue in three instalments of £2 10s. each, at intervals of three months. As Mr. Sadleir has the highest opinions of this investment, and feels convinced the shares will command a high premium, he is naturally desirous to see them held as much as possible by shareholders and other friends of the London and County Bank.

"I ought to have from you, on or before May 1st, a return stating what number of the shares you have disposed of, with the names and descriptions of the purchasers, and the mode of payment adopted by each.

"I am, dear sir, yours truly

"F. J. LAW.

"P.S. I might, perhaps, mention that the Provincial Bank of Ireland shares, which are principally held in England, and upon which £25 per share has been paid, are now selling at £50; and the Royal Bank of Ireland, upon which £10 has been paid, are now selling at £19 per share." (This letter was accompanied with a printed prospectus and balance-sheet up to the 31st of December, 1854, from which it appeared that £100,000 had been paid up out of a subscribed capital of £500,000; that 6 per cent. dividends and bonuses of £7 10s. per share had been regularly paid; and that the "customers' balances" amounted to £724,351 15s. 5d., and "cash in hand, Government and other securities, and bills" amounted to £842,279 7s. 7d. These documents professed to be countersigned by "Wm. Kelly, manager," and to bear date "Clonmel, Jan. 27, 1855.) I communicated these papers to Mr. Ginger, and explained them to him. He said he would consider about taking shares, and afterwards agreed to take ten in May. In September he took twenty more, all at £12 10s. per share. I received the purchase money from him—£125 and £250. I retained 10s. per share, according to the letter of the defendant, and the balance I remitted to the London office to the credit of the defendant. I also received £1 17s. 6d. from the plaintiff for the stamps on the transfer, which I remitted also to the defendant. I received letters from the defendant on the 24th and 25th of April, and on the 4th, 9th and 11th of May, relative to the issue of the shares. I received the transfers for the plaintiff's ten shares on the 12th of May from the defendant, and I sent up money I had received, including that of the plaintiff. (Numerous letters from the defendant to witness were then read relating to the issue of the shares, the execution of the transfers, the certificates, and dividend warrants. The transfers of the 9th of May and 1st of September of ten shares each from "Austin Ferrall," described as of Mountjoy-place, Dublin, to the plaintiff, and the certificates of such shares, were then read. These documents were signed by James Sadleir, B. Keating, and John Sadleir, and countersigned by W. Kelly, manager.) I did not know that Mr. Law was to have a commission of £1 per share. If I had, I should not have sold any shares. When I heard Mr. Sadleir had destroyed himself, I returned the sums I had received for commission.

Cross-examined—I left the London and County Bank after these transactions. At that time James Sadleir was chairman of the Tipperary Bank,



and John Sadleir was one of the trustees of that bank, and chairman of our bank.

Mr. Fabian, the manager of the Leighton Buzzard Branch of the London and County Bank, proved the receipt of a similar prospectus, &c., from the defendant, and the fact that by his directions he distributed shares among the customers, including twenty to the plaintiff, and the remittance of the proceeds to Mr. Law.

By the Judge—I am now the manager of the Unity Bank at Bradford.

Cross-examined—I did not know Mr. Law was to have a commission. I was to have one of 10s. I knew Mr. John Sadleir well. He used to live near me, and came down hunting. He urged me many times to sell these shares. He told me the capital was paid up, and confirmed the statements in the prospectus generally.

Re-examined—Mr. Law also made statements to me confirming the prospectus.

John Ginger—I am the plaintiff. I am a farmer at Hemel Hempstead. In consequence of the representations of Mr. Harris and Mr. Fabian, and the statements in the prospectus and balance-sheet, I bought 40 shares. I knew nothing of the bank, except from those sources. I bought in reliance of the truth of the statements, believing the shares to be old shares—not a new issue.

A clerk of Mr. Norris, the private solicitor of Mr. John Sadleir, was called upon to produce two letters from the defendant to Mr. Sadleir, both of which were read. One of them, which may be taken as a sample of both, was in the following terms:—

“London, March 31, 1855.

“My dear Sir,—Since writing to you yesterday, I have received a telegraphic message and your two communications of the 29th, both with enclosures. I have not yet been able to negotiate the £2,000 order in the city, so it will go to Gaskill's credit at Knightsbridge. I have paid £1,800 to Glyn's according to message, and have protected the bill for £600. I was obliged to use your cheque, as Goodyear had only a bank post bill for £500 to give me, and it had several days to run. I find he will take an order to square up his account, and pay me any surplus in cash. If they would be of any use, I could, I think, obtain an acceptance from Goodyear for £1,000, and one also from Rogers and Dear for £1,000. The payment I made to Glyn's was young Rhodes's cheque for £1,000, and Goodyear £800 before three o'clock. I have seen Nesbitt several times about the account. He writes to you to-day on the subject. I shall go over the Tipperary Bank prospectus carefully, and put it in the printer's hands on Monday. It would be as well to insert the year in which it was established on the face of it, otherwise at first sight parties might think it was a new bank.”

The second letter equally showed that the defendant was cognizant of Mr. Sadleir's pecuniary difficulties, but it contained no reference to the Tipperary Bank shares.

James Newnham—I am a clerk in the East of England Insurance Office, and knew the defendant for five years. He was a director, but ceased to be so last April. Mr. Sadleir was not one of our directors. In the spring of 1855, the defendant gave me the manuscript draft of the Tipperary Bank prospectus to get printed. I copied circulars to the managers of the London and County Bank branches. Mr. Sadleir and the defendant used to meet at our office.

Cross-examined—This is the original MS. of the prospectus. It is in Mr. Sadleir's handwriting, I believe.

W. Kelly—I became the manager of the Tipperary Bank in 1850, and so



remained till it broke up. The amount of the paid-up capital of £40,550 only in 1855. I saw this prospectus in 1856 for the first time. I never subscribed my name to such a document. In 1855 James Sadleir, Vincent Scully, and Mr. Wilson Kennedy were directors. Many of the names published in this prospectus never were directors. I saw this balance-sheet first in May, 1856. Its statements are untrue. (It may be taken that the real amounts of the deposits and cash, &c., in hand, were about doubled in the prospectus and balance-sheet supplied to the defendant by Mr. Sadleir.) There were no shares numbered beyond 4,050. The shares in question are all numbered beyond that figure. I know Mr. Austin Ferrall. He formerly lived in Mountjoy-terrace, ten years ago, but is now a clerk to a wine merchant in London. He was registered as the holder of 150 old shares, but not of those in these transfers. I received the transfers from Mr. Law, and an account showing that he disposed of 1,561 shares, for which he accounted to me, at £11 per share.

Cross-examined—James Sadleir was the elder brother of John Sadleir and the chairman of our bank. He desired me to prepare a balance-sheet in accordance with the forms used in the English banks. He gave me a form. The books showed a capital of £100,000 paid up. John Sadleir owed £120,000 to the bank, which was treated as capital. At the meeting of 1856 a prospectus was put forward with the names of the additional directors. I spoke to him about it, and he said he had their authority. The whole was a fraud concocted between James and John Sadleir. These shares issued by Mr. Law were sent to me in the usual way. We generally kept transfers unstamped. The defendant has returned himself as the holder of 50 shares, and proceedings are now being taken in Dublin to fix him as a contributory—liable for all the debts of the bank. Mr. Law accounted to the bank through Glyn's in London, and to Mr. John Sadleir for the balance. Mr. Sadleir accounted for what he got by giving us a check for the amount. That was his way of accounting. The blank certificates for these English shares were genuine when they were issued from the bank in June, 1855. Mr. James Sadleir could have got any amount of shares he wanted. They were intrusted to Mr. James Sadleir. I communicated from time to time with Mr. Law as to the issue of these shares in England. Every share he so disposed of was accounted for to the bank. The books of the bank are here, which show how Mr. John Sadleir accounted for the proceeds to the bank—namely, by giving his cheque for the proceeds.

Re-examined—There was an account opened in Mr. Austin Ferrall's name in August, 1855. We debited him with 5,945 shares, and 1,566 of those were transferred to English shareholders. Not one of them was paid up. I understood from James Sadleir that he was acting as trustee for the bank.

By Mr. James—Mr. John Sadleir gave his cheque for £13,000 and odd pounds, which was put to his debit, but never was paid.

Mr. Hill and Mr. James both, at the conclusion of Mr. Kelly's evidence, agreed in exonerating him from any implication in the malpractices of Messrs. John and James Sadleir, under whose orders he had acted.

The chief Baron—Then, did Mr. Law get a commission of £1 on each of the 1,566 shares disposed of by him in England.

Mr. Hill—Yes, my lord, and the transfer fees also.

Mr. Towgood—I am a stock-broker. The usual commission paid on the sale of shares is 2s. 6d. per share under £20. I never knew of such a commission as £1 on the sale of such shares.

This being the case for the plaintiff,



Mr. James submitted to the Chief Baron that there was no case to go to the jury against the defendant on the two first counts, at all events.

The Chief Baron was about to give his opinion apparently, when the learned counsel entered into a conference, and, after considerable delay,

The Chief Baron called their attention to the fact that the court and jury were waiting.

Mr. James—My lord, we are engaged in effecting an arrangement which shall be honourable to Mr. Law.

The Chief Baron—An honourable what, Mr. James?

The learned counsel then resumed their negotiation, and after a further interval of some length,

Mr. James said he was happy to state that he had come to an arrangement under which a verdict was to be entered for the defendant upon certain terms which were satisfactory to all parties. One of the terms of that arrangement was, that Mr. Law should refund to the plaintiff and all the other English shareholders the sum received by him by way of commission.

Mr. Hill—And for the transfer stamps which never were used?

Mr. James—Yes; Mr. Law has agreed to those terms.

The Chief Baron having expressed his surprise at the plaintiff consenting to waive his right to the verdict, at least on the money counts.

Mr. Hill stated that his clients were acting on behalf not only of the plaintiff, Mr. Ginger, but also of all the English shareholders, and they had deemed it proper to come to any arrangement which would put an end to all further litigation and costs.

The Chief Baron then directed the jury to find a verdict for the defendant in pursuance of the arrangement come to between himself and the plaintiff. He could not, however, refrain from giving forth to the public his entire disapproval of the practices resorted to in the management of the Tipperary Bank. He reprobated, in the strongest language, the issue of the certificates of shares in blank, but agreed in acquitting Mr. Kelly of any participation in that impropriety beyond a very subordinate part indeed, adding that he believed he had objected to some things which had been done. As far as this cause was concerned, the plaintiff had chosen to agree with his adversary, and it was only left to follow out that agreement; but he might say that, whatever might have been the result of the cause as far as the first two counts were concerned, it was clear that the plaintiff would have been entitled to recover the excessive sums which the defendant had appropriated to himself by way of commission on the sale of these shares.

The jury then found a verdict for the defendant.

*Vice-Chancellor's Courts, Monday, Feb. 23.—(Before Vice-Chancellor Sir JOHN STUART.)*

**MOFFETT v BATES.**

THIS case was resumed and concluded. John Scott, late of South Shields, in the county of Durham, gave thirty shares held by him in the Newcastle, Shields, and Sunderland Union Joint-Stock Banking Company, and certain real estate, to his executors upon trust to pay the dividends on the shares and the rents of the real estate towards the maintenance and education of Margaret Jobson (now Margaret Tindle) during her minority, and, upon her attaining twenty-one years of age, upon trust to pay such dividends and rents to her for her separate use, with a restriction on anticipation, and after her death for the benefit of her children. The testator by his will



bequeathed several pecuniary legacies, and gave his residuary personal estate to his nephews and nieces. The testator died in June, 1845. In January, 1853, an order was made to wind up the affairs of the Newcastle, Shields, and Sunderland Union Joint-Stock Banking Company, and the plaintiffs were placed on the list of contributories, as executors of the testator in respect of the above thirty shares. A call of £20 per share having been made on the contributories of the banking company, the official manager instituted a creditors' suit at the Rolls against the executors of John Scott, for the purpose of obtaining payment of the sum of £600, for the call of £20 per share on the thirty shares held by the testator, and by the decree of the Master of the Rolls, made in June, 1855, the call was held to be a debt due from the testator's estate. The executors had paid the call out of a balance of the testator's residuary personalty in their hands, and the present suit was instituted for determining the question, whether such call should be borne by the testator's residuary estate or by the specific legatee of the shares out of the real estate devised for her benefit. It appeared that Margaret Jobson, to whom the shares were given for her separate use for life, had only recently attained twenty-one years of age, and that immediately upon doing so she renounced the bequest to her of the shares. But it was stated, although there was no evidence on this point, that the dividends of the shares had been paid to her father in the interval between the testator's death and the stoppage of the bank for her maintenance and benefit.

Mr. Malins and Mr. John Hinde Palmer appeared for the plaintiffs, the executors; Mr. Bacon, Mr. C. R. Roupell, Mr. Roxburgh, and Mr. Lonsdale for the residuary legatees; and Mr. Wigram and Mr. Wakefield for Margaret Jobson, the specific legatee of the shares.

The Vice-Chancellor held that the debt in respect of the calls on the shares belonging to the testator was payable out of his residuary estate, being of opinion that the assent of the executors to the bequest of these shares to Margaret Jobson could not impose any liability on her in respect of them, she having renounced the bequest of them to her as soon as she came of age.

*Court of Bankruptcy, Basinghall-street, March 13th.—(Before Mr. Commissioner FANE.)*

IN RE SAMUEL ADAMS.—THE WARE AND HERTFORD BANK.

THIS was an adjourned examination meeting in the case of the above bankrupt.

Mr. Lawrance, for the assignees, said that although the accounts had been before the Court some time, great alterations were still considered necessary. There was a discrepancy in the accounts in respect to 400 and odd quarters of malt, which it was necessary should be explained. The bankrupt had taken credit in his assets for bank-notes to the amount of £700, but the notes having at the time passed into the hands of Messrs. Masterman and Co., they could only be written off their account.

Mr. Whitmore, the official assignee, said he could not pass the accounts in their present form. The bankrupt had in December, 1854, executed a post-nuptial settlement. The validity of that settlement must depend on the state of his affairs. It would be the duty of the assignees to file a bill in Chancery to set it aside. The bankrupt made it appear that he was solvent at the time of the execution of the settlement, but he had omitted a very large liability arising out of the suit of *Kay* against *Johnston*. All the world acquitted the bankrupt of participation in those proceedings. (A



laugh.) There had been a decree of £30,000 against Johnston and others, and it was not improbable that the claim against the bankrupt's estate, consequent upon that decree, would be compromised by the admission of a proof of about £10,000. It was quite clear that the £10,000 must go to the debit of the bankruptcy at the time of executing the settlement, and the assignees were of opinion that it would exhaust his assumed surplus. Nobody charged the bankrupt with a guilty appropriation of the money that came from the expectant heir (Kay).

Mr. Linklater, for the bankrupt, said the surplus at the time of the nuptial settlement was £13,000. After admitting the proof of £10,000, he would thus have been solvent to the extent of £3,000.

Mr. Bagley, for Mr. Swannell, a creditor for £3,700, and about forty other creditors, asked for a private meeting, to examine the bankrupt. They were willing to incur all the expenses of such examination. They did not suggest that the assignees would not do their duty in prosecuting this inquiry. Mr. Elsey, of the Bank of England, was one of the assignees, and, although there might be no reason to suppose that the Bank of England would not do its duty, the creditors for whom he (Mr. Bagley) appeared were of a very different class. They were depositors.

The Commissioner—In what respect can they differ from other creditors? I deposit my money with my bankers.

Mr. Bagley—I dare say you do, but some of the depositors in this case could not, by an arrangement, withdraw their deposits without giving notice. They were willing to defray the expense of the investigation, and, until he had the opinion of the Court to the contrary, he must submit that they were entitled to that investigation.

Mr. Lawrance said the Bank of England were very large creditors, and he (Mr. Lawrance) should only be too happy to receive any suggestions for the prosecution of any inquiry.

The Commissioner said it was only interrupting justice to indulge in violent complaints against the conduct of the bankrupt at this stage of the proceedings.

Mr. Bagley said the creditors had no wish to supersede.

*(Before Mr. Commissioner HOLROYD.)*

IN RE W. O. YOUNG.

THE bankrupt was a shipowner, insurance broker, and underwriter. His debts are about £80,000. This was a dividend meeting.

Mr. Green, for the assignees, said they proposed now to divide £12,000, (as in the hands of Mr. Lee, the official assignee), which would suffice for a dividend of nearly 5s. in the pound. It was fully expected that in the course of six months the assets would have realised a further sum sufficient to pay full 5s. in the pound more. The estate would thus have paid 10s. in the pound, as originally estimated. He might take that opportunity to say that it was the opinion of the assignees as well as of himself, that this Court would have administered the estate both cheaper and quicker than could have been effected by private arrangement, or by any other course, considering that the bankrupt had carried on three businesses, and the nature of the assets.

His honour observed that he wished Mr. Lavie and others only knew what had been stated,

A dividend will be declared accordingly.



## Reports of Joint-Stock Banks.

### BANK OF MADRAS.

#### ASSETS.

*Statement of the Affairs of the Bank of Madras, at 31st December, 1856.*

Cash credits on deposit of Government securities	...	Rs. 5,76,719	12	4
Loans on ditto ditto	...	15,83,017	9	6
Government bills discounted	...	91,902	0	0
Private ditto	...	4,81,498	2	1
Bank of Bengal	...	17,399	15	9
Bank of Bombay	...	1,361	12	11
Dead stock	...	28,547	10	8
Balance of cash on hand	...	37,30,039	8	4
		<b>Rs. 65,08,486</b>	<b>7</b>	<b>7</b>

#### LIABILITIES.

Bank notes and post bills in circulation	...	Rs. 18,68,396	10	7
Deposits	...	15,23,326	14	8
Proprietors' capital	...	30,00,000	0	0
Reserved fund and profits for half-year ended	...	1,16,762	14	4
		<b>Rs. 65,08,486</b>	<b>7</b>	<b>7</b>
Reserved fund at 30th June, 1856	...	48,009	8	9
Net profit for half-year	...	68,753	5	7
		<b>Rs. 1,16,762</b>	<b>14</b>	<b>4</b>
Dividend at 5 per cent. per annum on capital	...	75,000	0	0
Balance of reserved fund	...	41,762	14	4
		<b>Rs. 1,16,762</b>	<b>14</b>	<b>4</b>

J. T. SPENCE, Auditor.

### BANK OF BENGAL.

*Statement of the Affairs of the Bank of Bengal, for the Half-year ending 31st December, 1856.*

#### LIABILITIES.

Bank notes and post bills	...	Rs. 1,62,06,851	1	11
Current accounts	...	95,82,620	7	1
Cash credits undrawn	...	26,70,986	11	3
Other claims, payable on demand	...	9,220	0	0
Proprietors' capital	...	1,07,00,000	0	0
Reserve fund	...	3,96,498	6	3
Profit for the current half-year	...	3,40,302	9	4

Co.'s Rs. 3,99,96,479 3 10



ASSETS.					
Cash ... ..	...	...	...	Rs. 1,08,12,357	10 1
Government securities ... ..	...	...	...	17,12,147	11 3
Dues from Government ... ..	...	...	...	2,65,754	13 3
Mint certificates, undue ... ..	...	...	...	30,91,092	7 0
Loans on deposit of securities ... ..	...	...	...	1,69,41,000	0 0
Accounts of credit on ditto ... ..	...	...	...	30,94,900	0 0
Government bills discounted ... ..	...	...	...	7,41,097	5 3
Mercantile bills ditto ... ..	...	...	...	29,76,778	14 3
Interest outstanding ... ..	...	...	...	95,231	7 8
Dead stock ... ..	...	...	...	1,76,118	15 1
Co.'s Rs. 3,99,06,479					3 10

The directors, in conformity with a resolution passed at a general meeting of the proprietors, held at the bank on the 10th ultimo, now present their report upon the affairs of the bank, for the half-year just terminated, viz., from 1st July to 31st December inclusive.

The statement given above, shows the amount of the assets and liabilities of the bank on the 31st ultimo.

The profit and loss account is composed of the following details :—

RECEIPTS.					
Amount received in discounts, interest, and commission Rs. 4,32,922 0 0					
DISBURSEMENTS.					
Gratuity to assistant to accountant, on the occasion of dispensing with his services ...	Rs. 277	0	0		
Ditto for certain secret service, with the view to detect forgers ...		700	0	0	
Bank establishment ... ..		71,745	0	0	
Pensions ... ..		1,588	0	0	
Contingencies—					
Stationery ... ..	Rs. 1,672	0	0		
Lighting .. ..	396	0	0		
Printing ... ..	661	0	0		
Advertisements ... ..	970	0	0		
Misellaneous ... ..	2,701	0	0		
Credited to dead stock for wear and tear ...	4,806	0	0		
Special establishment under sub-committee	4,589	0	0		
	15,795	0	0		
Deduct fines ... ..	10	0	0		
		15,785	0	0	
Directors' fees ... ..		2,525	0	0	
			92,620	0	0
Net profit ... ..			Rs. 3,40,302	0	0

The office charges, which comprise stationery, printing, advertisements, &c., are all included in the item of contingencies in the foregoing paragraph



The salaries of the bank officers exceeding 100 rupees per mensem, include—

Secretary and treasurer	...	...	...	...	...	Rs. 2,600	0	0
Deputy ditto	...	...	...	...	...	1,500	0	0
Accountant	...	...	...	...	...	900	0	0
1st Passing officer	...	...	...	...	...	600	0	0
2nd ditto	...	...	...	...	...	450	0	0
Superintendent of depositor's dept.	...	...	...	...	...	500	0	0
Accountant ditto	...	...	...	...	...	300	0	0
Assistant to chief accountant	...	...	...	...	...	200	0	0
Khazanchee or head native officer	...	...	...	...	...	1,000	0	0
Deputy ditto	...	...	...	...	...	200	0	0
Assistant ditto	...	...	...	...	...	150	0	0

No bad debts have been reported during the half-year, nor have any sums been disbursed on account of law charges. The sums expended upon build-ings and repairs are as follows :—

For altering and enlarging the receipt and payment departments of the cheque office	...	...	...	...	Rs. 1,252	0	0
Reflooring the same	...	...	...	...	744	0	0
Sundry repairs	...	...	...	...	200	0	0

A sum of about 10,000 rupees is also due, as the last instalment for the recent additions to the bank premises, and a further sum of about 2,000 rupees is due for office desks, furniture, and fittings.

The new business undertaken by the bank, consequent upon the abolition of the Government agency, is daily increasing, and promises to yield a profitable return. The deposits of public securities in the custody of the bank, on 31st ultimo, amounted to Rs. 3,13,37,138. The present monthly expense for establishment for this new department is Rs. 1,216. A new system has been introduced in the cheque department, for testing the balances of the constituents' accounts, which has been attended with the most satisfactory results. A trial balance, prepared by the auditors employed under the sub-committee, having shown that the accounts up to the 31st December last were perfectly correct, with the exception of the difference of 19,803-2-2 rupees previously reported. The directors have under their consideration the question of extending the operations of the bank, by the establishment of branch offices at the principal towns and marts in the Upper Provinces and in the Punjab, a measure which, if it can be introduced with advantage to the interests of the bank, would doubtless be attended with beneficial results to the public. It is also the intention of the directors to introduce, as early as practicable, a new description of bank note, to be, if possible, inimitable, or such as will baffle any attempts at forgery or alteration. The most eminent artists in England and Scotland have been applied to, for the best specimens of their skill in engraving, and for designs. The paper also will be of the latest and most improved manufacture. The directors hope to produce a note for issue during the current year that will give general satisfaction.

The directors now desire to advert to the rate of dividend declared, viz., 6½ per cent. per annum. or 125 rupees per share. It has often happened that a period of unusual prosperity has been followed by one of great depression. The great falling off in the amount of the present, as compared with the unusually high preceding dividends, is attributable to the very great influx of specie, causing the bank's resources to be suddenly and considerably increased, simultaneous with which, the demand for loans and discounts decreased, and the rates of business consequently fell to the



lowest possible figures, viz., 3 and 4 per cent. An improvement of profit in business is now showing itself, and it is expected that the next division will show an increase over those of the past half-year.

#### WEST OF ENGLAND AND SOUTH WALES DISTRICT BANK.

THE twenty-second annual general meeting of the proprietors of this bank was held at the company's banking-house, in the Exchange, Bristol, on the 6th of January, Mr. Harman Visger in the chair, when the following report was read and adopted :—

The business of the bank during the past year has continued to increase, and the directors are enabled to lay before you a satisfactory statement of the profits of the year. A dividend has been paid for the half-year ended the 30th June last, at the rate of £8 per cent. per annum, free of income tax, and the directors now declare a dividend at the same rate for the half-year ended the 31st of December, and a bonus of 5s. per share, being at the rate of £2 per cent. The dividend and bonus are declared free of income tax. After paying these dividends and the bonus, the charges of management, the income tax for the year, and making due provision for all bad and doubtful debts, and providing further towards meeting the expenditure on the new bank premises, there remains the sum of £11,333 18s. 6d. to be carried to the credit of the reserve Fund.

The statement of the annual account is as follows :—

The amount of undivided profits standing at the credit of the reserved fund, on 31st December, 1855, per last annual report ... ..	£81,628 19 2
Net profit of the year, after payment of the charge of management, and the income tax, and making due provision for all bad and doubtful debts, and a further provision against the expenses now being incurred in building bank premises in Bristol ... ..	£61,226 8 6
Half-yearly dividend at the rate of £8 per cent. per annum, to the 30th of June, 1856 ... ..	£19,957 0 0
The same to 31st December, 1856 ... ..	19,957 0 0
Bonus of 5s. per share, being at the rate of £2 per cent. ... ..	9,978 10 0
	<hr/>
	49,892 10 0
	<hr/>
	11,333 18 6
Leaving at the credit of reserve fund ... ..	<hr/>
	£92,962 17 8

Under these favourable circumstances, and considering especially the increased business of the bank, the directors have thought it their duty to issue the remainder of the unappropriated shares of the company, and they have accordingly made the final allotment of shares, at par, to the proprietors of the bank, on the 31st ultimo, in the proportion of one new share for every four shares then held. The few shares which will remain after the allotment at that rate, viz., one hundred and eight shares, will be sold



by the directors, and the profit arising from the sale of them will be placed to the credit of the bank.

The capital account will stand as follows:—

1856. Dec. 31.	Shares issued.	Amounts per Share. £20	Paid up per Share. £12 10s.	Paid up Capital. £498,925	Subscribed Capital. £798,280
1856. Dec. 31.	Allotted. 9,978	£20	To be paid by 31st Dec., 1857. £12 10s.	124,725	199,560
To be sold for bene- fit of the bank...	108	£20	£12 10s.	1,350	2,160
Shares ... ..	50,000			£625,000	£1,000,000

It was then resolved—That the report now read be approved, and printed for circulation amongst the proprietors; that the thanks of the proprietors be given to the directors for their valuable services during the past year; and that the thanks of the proprietors be tendered to Mr. Bates for the zealous performance of the arduous duties of his office.

#### YORK CITY AND COUNTY BANK.

THE annual general meeting of this bank was held on the 29th of January, when the following report was adopted.

The directors of the York City and County Banking Company, in presenting to the shareholders their twenty-seventh annual report, have the pleasure to state that the business of the bank continues to be of a most satisfactory character, and that the profits of the year, after allowing for bad debts, are £18,233 17s. 8d., out of which the directors recommend a dividend of 8 per cent., clear of income-tax. Also, that £5,000 be set apart for a reserved surplus fund, and the balance of £5,233 17s. 8d. be carried to the contingent fund.

The dividend, as recommended, was agreed to.

#### BANK OF BOMBAY.

A GENERAL meeting of the proprietors of this bank was held on the 12th February, Mr. E. E. Elliott, president, in the chair.

Mr. John Stuart, the secretary, read the notice, as published in the *Government Gazette* and newspapers, convening the meeting. The following report was then submitted:—

1. The directors have the pleasure to submit to the proprietors the following statement, showing a gradual and steady increase in the business and profits of the bank, and it is believed that the business will continue increasing, in consequence of the modification of some of the restrictions of the charter, and the extension of the business allowed by the acts No. 21 of 1854 and No. 27 of 1855 of the Legislative Council of India, which enable the bank to afford greater accommodation to the public than was formerly the case.

2. In the comparative statement of the business for the last eleven years, it will be observed that the amount of bills discounted annually has in-



creased from one crore and fourteen lakhs of rupees in 1846 to upwards of three crores and fifty-eight lakhs in 1856, and although these transactions include advances to all classes of the community, and the aggregate amount of the bills discounted from the commencement of the bank is upwards of twenty-two crores of rupees, the total losses amount to only 18,000 rupees. The other items in the statement show an equally satisfactory progress; the amount of notes issued last year was upwards of ten crores and forty lakhs of rupees, and the total payment on all accounts upwards of twenty-eight crores and eighty-six lakhs of rupees, being an increase of more than 100 per cent. within the last six years.

3. The bank being now authorised to transact the business hitherto carried on by the Government agents for the public creditors of Government and others, a great increase has taken place in the amount of Government and other securities deposited with the bank for the purpose of realising the interest and dividends as they become due, and remitting the same to constituents resident in England and elsewhere.

4. To meet this increase of business, the directors have prompted Mr. Blair, head accountant, to be deputy secretary, and have requested Mr. Gilbart, of the London and Westminster Bank (who has upon former occasions kindly afforded the directors the benefit of his experience), to select and send out a well-qualified accountant, and it is expected that the person appointed will arrive here by the first steamer in March. It will also be necessary to employ some additional clerks, and the directors now request the proprietors to sanction such expenditure as may be requisite to enable them to carry on the business of the bank, and for this purpose they propose that the sum allowed under Section 23 of Act III. of 1840 be increased from 80,000 to 80,000 rupees.

5. The majority of the directors are of opinion that some remuneration should be allowed to them for the time bestowed upon the business of the bank, and they propose that a sum of fifteen rupees be paid to each director present at the weekly meeting of the board.

By order of the board of directors,

JOHN STUART, *Secretary and Treasurer.*

*Bank of Bombay, 12th February, 1857.*

*Comparative Statement of the operations of the Bank of Bombay for each year from 1846.*

Date.	Loans and Cash Credits.	Bills Discounted.	Circulation.		Total Payments.	Total Receipts.
			Notes Issued.	Notes Received.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1846	3,14,17,305	1,14,80,055	5,80,01,590	5,72,99,530	13,67,98,918	13,47,70,288
1847	3,69,05,402	1,25,06,846	7,30,72,310	7,28,66,575	15,58,58,672	15,53,17,885
1848	4,13,05,669	94,91,126	5,91,90,440	6,18,14,565	13,93,60,694	13,89,48,485
1849	4,47,73,085	1,01,05,183	5,97,21,345	5,74,70,620	14,83,00,658	14,21,41,929
1850	4,73,53,093	1,34,80,069	5,66,31,300	5,70,03,140	15,12,25,820	14,50,18,108
1851	4,27,54,370	90,01,881	4,97,28,100	4,84,10,940	13,95,41,344	13,51,45,746
1852	4,54,74,357	1,15,56,177	6,31,12,785	6,23,04,690	16,54,12,851	16,24,46,701
1853	4,21,74,146	1,24,18,187	6,71,66,986	6,74,15,545	18,28,15,850	18,04,09,773
1854	4,89,79,300	1,37,56,020	7,23,85,490	7,29,08,980	19,36,98,003	18,79,38,519
1855	5,98,79,630	2,59,29,020	8,41,17,775	8,27,63,730	24,11,17,530	22,96,58,763
1856	6,49,14,087	3,58,87,966	10,40,76,125	10,43,90,295	29,86,22,822	28,21,12,558

S. W. READ, *Acting Head Accountant.*



*Statement of Net Profit realised for each year from the commencement of the bank.*

			Rs.	a.	p.
1840.	By net profit for the year ending 31st December ...		84,548	9	8
1841.	Ditto ditto ...		2,53,778	1	6
1842.	Ditto ditto ...		3,80,595	14	2
1843.	Ditto ditto ...		3,61,512	13	7
1844.	Ditto ditto ...		3,92,711	7	11
1845.	Ditto ditto ...		3,85,516	14	4
1846.	Ditto ditto ...		4,16,117	8	9
1847.	Ditto ditto ...		4,11,210	0	9
1848.	Ditto ditto ...		3,89,388	6	6
1849.	Ditto ditto ...		3,01,814	6	8
1850.	Ditto ditto ...		3,86,507	11	5
1851.	Ditto ditto ...		3,18,375	12	9
1852.	Ditto ditto ...		2,86,370	6	11
1853.	Ditto ditto ...		3,43,104	3	6
1854.	Ditto ditto ...		3,57,904	7	8
1855.	Ditto ditto ...		4,66,343	13	8
1856.	Ditto ditto ...		4,86,390	12	8
Total .....			Rs. 60,02,191	8	5

S. W. READ, *Acting Accountant.*

Proposed by Dr. Don, and seconded by Mr. Cowie, and resolved, That the sum of 60,000 rupees, allowed under Section 23 of Act III. of 1840 for the expenses of the establishment, be increased to 80,000 rupees per annum. Proposed by Mr. Rustomjee Jamsetjee, seconded by Mr. Cowie, and resolved, That the 5th paragraph of the report now read, regarding remuneration of the directors, be not adopted. Proposed by Dr. Don, seconded by Mr. Cowie, and resolved, That the thanks of the meeting be given to the chairman for his conduct in the chair. The meeting was then dissolved.

**ENGLISH, SCOTTISH, AND AUSTRALIAN CHARTERED BANK.**

THE seventh ordinary meeting of the proprietors of this bank was held on the 25th of February, at the London Tavern, Mr. Charles Johnston, chairman of the board of directors, in the chair, when the following report was presented:—

The directors have much pleasure in referring to the annexed statement of liabilities and assets, which they feel will be gratifying to the proprietors, as it exhibits a decided improvement in the general operations of the bank, and fully justifies the opinion expressed in the previous report. The progress made during the year ending 30th September last, in the business of the branches, will be seen by comparing the following items, viz:—

	At 30th Sept., 1855.	At 30th Sept., 1856.	Increase.
Bills discounted and local advances ...	£306,263 4	6...£466,630 0	3...£160,366 15 9
Circulation ...	69,025 0	0... 92,975 0	0... 23,950 0 0
Deposits ...	136,097 9	6... 231,676 8	10... 95,578 19 4

It will also be observed that the balance of profit and loss account is



equal to 7 per cent. per annum on the capital of the corporation. The arrangements for opening a branch at Adelaide, alluded to in the last report, have not been completed. The increased amount at debit of bank premises arises from payments on account of the buildings in Melbourne and London, and the purchase, by the inspector, of a very eligible plot of freehold ground at Sydney, whereon to erect a banking-house, all of which the directors consider advantageous investments. The directors have great satisfaction in informing the proprietors, that the inspector and managers report the current transactions of the branches to be of a very safe character, and that the provision already made to meet estimated losses in the colonies will be found amply sufficient for that purpose. They, therefore, recommend that the balance of £17,955 8s. 8d. at the credit of profit and loss account be appropriated as follows, viz :—

To the payment of a dividend at the rate of 5 per cent.

per annum (free of income-tax) on £500,000, the paid-up capital of the bank...	...	...	...	...	£12,500	0	0
Towards the reduction of the amounts at debit of bank premises and furniture accounts	...	...	...	...	940	0	0
Preliminary expenses	...	...	...	...	500	0	0
Leaving	...	...	...	...	4,015	8	8

to be carried to the reserve fund.

The directors have further to report that the auditors have certified to the correctness of the securities deposited for loans, and have satisfied themselves that the system adopted for the transfer and registration of shares affords ample protection against error.

#### LIABILITIES.

Paid-up capital	...	...	...	...	£500,000	0	0
Deposits	...	...	...	...	231,676	8	10
Bills payable, and other liabilities	...	...	...	...	81,002	5	0
Circulation	...	...	...	...	92,975	0	0
Amount carried to profit and loss account...	...	...	...	...	28,667	17	2
					£934,321	11	0

#### ASSETS.

Bills receivable, including those overdue, loans on security,							
Cash at Bankers, &c.	...	...	...	...	£895,007	14	0
Specie and bullion	...	...	...	...	183,844	16	0
Bank premises and furniture	...	...	...	...	46,388	14	11
Preliminary expenses	...	...	...	...	9,080	6	1
					£934,321	11	0

#### Profit and Loss Account.

To current expenses in London, Sydney, Melbourne, and sub-branches (including income-tax)	...	...	...	...	£10,712	8	6
Balance	...	...	...	...	17,955	8	8
					£28,667	17	2
By amount brought down	...	...	...	...	£28,667	17	2



The Chairman, in moving the adoption of the report, said it was particularly satisfactory, as shewing that no sooner had the crisis in Australia passed away, than a movement took place in the business of the bank. He thought their inspector, Mr. Jackson, had shown great judgment in limiting his operations during the time of difficulty. The experience he had then acquired would now enable him to act still more certainly for the advantage of the proprietors. With regard to the branch at Adelaide, it was still a matter of detail and consultation among the directors, and he thought it wiser not to enter into the subject, as he could not explain exactly how it stood without entering into other matters which it would not be advisable to bring forward. The proprietors would observe that the outlay for bank premises had increased; they had taken advantage of the temporary depreciation in the value of land in that colony, to secure most favourable sites for building, both at Sydney and Melbourne, and when the proprietors considered the enormous rates they had been paying for houses, it would be found they had made a most advantageous investment; in both towns they had got the best possible situations for their premises. At Sydney, the inspector, having a favourable opportunity, had purchased more land than was actually required, so that they would be able to dispose of a portion of it to advantage. He begged to move that the report and accounts be adopted, and that a dividend be declared at the rate of 5 per cent., free of income tax.

Mr. Thompson seconded the motion.

Mr. Josiah Wilson said that in the account presented to the shareholders in 1855, there appeared a reserve fund of £3,978. There was no trace of that sum in the present account; and, although it might have been all lost, yet he contended that the account ought to have been brought forward.

Mr. Robertson explained that in the last report the directors had stated that there were a large number of overdue bills included in the account; they had gone carefully through the list, and came to the conclusion that it would be better at once to write off all those which it was impossible to recover; the meeting authorised the directors to adopt that course, and the amount written off absorbed a sum of £4,297, in addition to the whole amount standing to the credit of the reserve fund.

Mr. Franklin complained of the meagre and unsatisfactory form of the accounts. It was true the proprietors might obtain every information on application at the office, but if the accounts were properly made up, no inquiries would be necessary. He found in the account now presented that the current expenses were set down at a lump sum of £10,712; he had asked at the office for the particulars, and he found it included—general expenses in London, £1,075; directors' remuneration, £2,000; commission, £144; charges at Sydney, £2,348; at Melbourne, £3,226; charges of inspection, £1,190; and income-tax, £585. It would be better to give all this information at once, as it showed how it was it cost them £10,712 to divide £12,500. He was also glad to learn that the amount of overdue bills, which last year was £29,000, was now only £11,000. He thought the directors did not do themselves justice in keeping back these facts.

Mr. Parsons also objected to the mode in which the accounts were prepared.

A Shareholder considered the expenditure in land and buildings to be very large; it now amounted to one-tenth of the paid-up capital, and he wished to know whether there was any prospect of a further expenditure on that head? The greater portion of the business of the bank was done in the colony, and as the directors, therefore, had very little to do, he thought £3,000 a year an excessive remuneration for them.



The Chairman said there was a great deal of business to be done in London, and some of the directors were obliged to attend every day. £3,000 was the utmost allowance they could have under any circumstances but last year they had only taken £1,500, and this year £2,000. There would be some further addition to the expenditure for building, but he could not say how much, as they had not yet received the estimate for the new premises at Sydney, but against this they had the value of the surplus land. They had already expended £2,915 on their new premises in Cornhill, the total amount would be about £5,000; they were subject to a rent of £500, but as they calculated on receiving £570 from the portion they would be able to let off, they would have their offices for the interest of the sum expended, which was a very low figure, considering the locality. As to the form of the accounts, he would bring the matter before the board, and hoped before the next meeting he would be able to make a satisfactory arrangement.

Mr. Frederick Parling was re-elected a director, and Mr. Alderman Salomons and Mr. George H. Donaldson were elected in the room of the two directors retiring.

The auditors, Messrs. P. Cazenore and J. Moore were re-elected.

A vote of thanks was then passed to the chairman, and the proceedings terminated.

#### AUSTRIAN CREDIT BANK.

THE General Assembly of the Austrian Credit Bank took place for the first time on the 3d of March. About 1,000 shareholders were present, and at half-past nine the sitting was opened by Prince Schwarzenberg, the president of the board of directors, with a short speech. Among the persons present were many of the highest nobles, the principal bankers and merchants, barristers, physicians, military men, the editors of the principal papers, tradesmen, stockjobbers, &c. After the president had introduced to the Assembly the Imperial Commissary, M. von Brentano, who is a councillor in the finance department, the principal director of the Credit Bank read the printed account of the transactions of the company during the year 1856. Subjoined is a condensed summary of the contents of the document, which is of considerable length:—

"On the 31st December the 'Debtor Account' (*passiva*) of the company stood thus:—Subscriptions paid up, 30,491,420*fl.*; balance of current accounts, 40,685,064*fl.* 18*k.*; bills of exchange for the establishment in circulation, 3,093,087*fl.* 42*k.*; interest of shares which had not been claimed, 56,455*fl.*; profits derived from the stock of the company, 4,368,036*fl.* 52*k.*; commission, 160,522*fl.* 52*k.*; interest, 1,526,959*fl.* 50*k.* Taken together, the foregoing sums make 80,392,246*fl.* 34*k.*; but as 171,563*fl.* 14*k.*, as the outlay for bureaux, payment of clerks and furniture, must be deducted from it, the total of this property is 80,210,683*fl.* 20*k.* The 'Creditor Account' (*activa*) was as follows:—Certificates of railroad shares, 8,856,034*fl.* 15*k.*; industrial stock of different kinds, 5,198,114*fl.*; Government stock, 6,468,897*fl.* 9*k.*; Priority bonds, 959,802*fl.* 23*k.*—together, 21,482,847*fl.* 47*k.* Bill Portfolio, 22,768,052*fl.* 27*k.*; advances made on Government and industrial stock, 19,836,238*fl.* 47*k.*; balance of current accounts, 12,234,922*fl.* 27*k.*; cash in hand, Exchequer bills and coupons, 2,866,854*fl.* 30*k.*; furniture, according to inventory, 36,039*fl.* 57*k.*; interest paid in advance on own shares, 965,727*fl.* 25*k.* Total of this property, 80,210,683*fl.* 20*k.* By the foregoing it will be seen that the gross profits of the establishment amounted



to 5,884,656*fl.* 20*k.* After deducting 408,650*fl.* 7*k.* for the 5 per cent income-tax, and 985,727*fl.* 25*k.*, the abovementioned 5 per cent. interest on shares, the net profits amount to 4,510,278*fl.* 48*k.* As the Credit Bank did not begin business until January 15, 1856, and as the greater part of the second instalment was not paid up until the end of November, the establishment worked during the year 1856 with a capital of about 19,000,000*fl.* Thus the Austrian Credit Bank pays to the shareholders about 31 per cent. on the capital employed. The net profit of 4,510,278*fl.* 48*k.* was thus disposed of:—10 per cent. of that sum (451,027*fl.* 53*k.*) was set aside as a reserve fund; 5 per cent. of the remaining sum of 4,059,250*fl.* 55*k.* was divided between the members of the board of administration, and another 5 per cent. among the directors and clerks of the establishment. As 10 per cent. on 4,050,250*fl.* 55*k.* makes about 400,000*fl.*, the sum of 3,600,000*fl.* remained, which was divided between the 300,000 shares, so that each share received, in addition to the 5 per cent. interest, 12*fl.* or 6 per cent. By the end of November last 50 per cent. per share had been paid up, and on the 31st January, 1857, another payment of 10 per cent. was made."

#### ALLIANCE BANK.

THE annual general meeting of this bank was held at Paris on the 14th of March, Baron A. de Barante occupying the chair, assisted by Baron El. Seillière, M. Des Varannes, M. de Villers, and other members of the council.

The resident directors presented their report to the following effect:—

"The directors have much pleasure in meeting the shareholders for the second time, and in laying before them the accounts of the bank up to the 31st of December, 1856, together with a report of its progress, whereby the expectations held out at the first meeting were fully confirmed. The Alliance Bank began business on the 7th of April, 1856, and the accounts made up to the 31st December, 1856, show the amount of business done during this period of eight months and twenty-three days to have been 72,489,357 francs 28 cents (£2,899,574 6*s.* 3*d.*), and the amount of profits, after deducting all the current expenses, to have been 480,375 francs 27 cents (£19,215 2*d.*) In order to cover the portion of profits not realised in cash on the 31st December, and to provide for the formation of a reserved fund, the directors propose to carry forward to profit and loss "new account" the sum of 158,299 francs 28 cents (£6,334 19*s.* 5*d.*) They also propose to write off at once the entire amount of the payment made for preliminary expenses, 43,376 francs 67 cents (1,735 10*d.*) It will be seen from the annual accounts that the adoption of the above proposals will permit the bank, after having also paid the sums allowed for administration and direction, francs 28,699.93 (£1,147 19*s.* 11*d.*) to pay to the shareholders twenty-five francs (one pound sterling) per share, say 10 per cent., on the 250 francs (£10) per share, called up during 1856, which appears on a calculation of the dates of the calls, equivalent to interest at the rate of sixteen per cent. per annum. The auditors' report was then presented by Mr. Jauffret, who stated that they had examined the books, and found the accounts to be correct and satisfactory in every particular, that no advances had been made to any member of the council or director, and that the prudence and judgment with which the affairs of the bank had been conducted were shown by the fact that on the entire large amount of exchange and discount transactions not a single loss had been incurred. In answer to a question from a shareholder, it was stated that on the calls made, £15 per share



remain due on 160 shares, and £10 per share on 845 shares, making a total of 1,005 shares. and of these 1,005 shares, 150 are held in France, and 855 in England. Several shareholders urged the directors and the council to adopt stringent measures to compel payment of all arrears of calls.

*Balance-sheet, 31st December, 1856.*

*Dr.*

To share capital ... ..	frs. 5,000,000—£200,000			
*Less amount not paid up on				
31st December, 1856 ... ..	2,335,125—£94,205			
	<u>2,644,875—£105,795</u>	0	0	
Bills payable ... ..	351,371.55	14,054	17	2
Amount due by the bank on current and				
deposit accounts ... ..	654,305.40	26,172	4	3
Profit and loss ... ..	480,375.27	19,215	0	7
	<u>Frs. 4,130,927.22</u>	<u>£165,237</u>	<u>2</u>	<u>0</u>

*Cr.*

By cash on hand and at call ... ..	Frs. 968,947.38	£38,757	18	0
Bills receivable ... ..	1,646,333.51	65,853	6	10
Furniture of the bank ... ..	20,539.65	821	11	7
Preliminary expenses ... ..	43,376.67	1,375	1	2
Sundry accounts debtor, including tempo-				
rary advances on approved securities ...	1,451,730.61	58,069	4	5
	<u>Frs. 4,130,927.22</u>	<u>£165,237</u>	<u>2</u>	<u>0</u>

*Profit and Loss.*

*Dr.*

To preliminary expenses ... ..	Frs. 43,376.07	£1,735	1	2
Allowance to council—				
5 per cent. on 286,999.20—Frs. 14,349.96	£574			
Ditto to management—				
5 per cent. on 286,999.20—	14,349.96	574		
	<u>28,699.92</u>	1,148	0	0
Dividend at the rate of 25f., or 20s. per share	250,000.00	10,000	0	0
Amount carried to credit of profit and loss				
account, 1857, and for the formation of a				
reserve fund, in conformity with the statutes	158,299.28	6,331	19	5
	<u>Frs. 480,375.27</u>	<u>£19,215</u>	<u>0</u>	<u>7</u>

*Cr.*

By amount of profit to the 31st December, 1856	Frs. 480,375.27	£19,215	0	7
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It was then resolved unanimously, that the reports and accounts now laid before the meeting be received and adopted. That a dividend of twenty-five francs (one pound sterling) per share be declared, payable on and after Monday, the 16th instant, in conformity with Art. 5 of the law of the 17th of July, 1856. That the best thanks of the meeting be given to the resident

\* NOTE.—The last call of 250 francs (£10) per share was made payable on 1st January, 1857.



director, Mr. Stokes; to the assistant director, C. K. Hall; and to the manager, Mr. G. H. Jones, for their able and unremitting exertions in the service of the Alliance Bank.

LONDON AND PARIS JOINT-STOCK COMPANY BANK.

A MEETING of the directors and shareholders of this company was held on the 16th of March, at the London Tavern, Mr. G. A. Hamilton in the chair, for the purpose of dissolving the company. The following account and balance-sheet had been previously circulated among the shareholders:—

CAPITAL ACCOUNT.

1857—March.

<i>Dr.</i>									
To deposits received on 6,000 shares at 10 <i>l.</i> per share	...	...	...	...	...	...	...	...	£60,000 0 0
Calls	...	...	...	...	...	...	...	...	98,393 3 2
									<hr/> £158,393 3 2 <hr/>

1857—March.

<i>Cr.</i>									
By repayment of deposits on 6,000 shares, at £7 per share	...	...	...	...	...	...	...	...	£42,000 0 0
Calls repaid	...	...	...	...	...	...	...	...	98,393 3 2
Balance	...	...	...	...	...	...	...	...	18,000 0 0
									<hr/> £158,393 3 2 <hr/>

CURRENT ACCOUNT (BALANCE-SHEET.)

1857—March.

To balance of capital account, viz., £3 per share on 6,000 shares	...	...	...	...	...	...	...	...	£18,000 0 0
Interest	...	...	...	...	...	...	...	...	£2,286 15 6
Less paid to sundry shareholders on calls	...	...	...	...	...	...	...	...	1,106 1 1
									<hr/> 1,180 14 5
Transfer fees, &c.	...	...	...	...	...	...	...	...	8 12 0
									<hr/> £19,189 6 5 <hr/>

1857—March.

By law charges in London and Paris, including fees for charter and other expenses incidental thereto	...	...	...	...	...	...	...	...	£3,598 12 11
Expenses of deputations to Paris, &c., and travelling expenses	...	...	...	...	...	...	...	...	1,186 1 0
Rent of offices	...	...	...	...	...	...	...	...	762 6 0
Office furniture and fixtures, alterations, and repairs	...	...	...	...	...	...	...	...	744 4 4
Printing, stationery, brokerage, books, and stamps	...	...	...	...	...	...	...	...	877 6 3
Advertisements	...	...	...	...	...	...	...	...	690 18 6
Direction, salaries and wages to Lady-day, 1857	...	...	...	...	...	...	...	...	6,353 8 0
Charges (petty) and other expenses	...	...	...	...	...	...	...	...	209 7 3
Balance	...	...	...	...	...	...	...	...	4,767 2 2
									<hr/> £19,189 6 5 <hr/>

The Chairman explained, on the part of the directors, that they were



allowing interest at the rate of 5s. 8d. per share on the amount of shares on which all calls had been paid, and that there would be a balance of 13s. per share; so that there would be 13s. per share for those who had not paid up all the calls, whilst those who had paid up all the calls would receive 18s. 8d. per share. Thus the loss per share would be about 2l. 2s. or 2l. 3s. The directors had hoped to have been enabled to have divided the balance at once, but one or two questions had since arisen which might interfere with the final adjustment of all claims. The directors proposed as soon as possible to pay 10s. per share.

On the motion that the company be dissolved,

Mr. Hartridge, in a very elaborate address, proceeded to put a variety of questions to the chairman. First, as to negotiations which it had been stated were opened with the Royal British Bank, and which, as he was given to understand, were opened at the time of that bank being in difficulties; that they were not able to wait longer, and that while the negotiations were about being matured, the bank failed. He should like to know the terms which were offered? Secondly, he desired to know under what circumstances 2,000 shares were taken by the directors? Thirdly, he desired to be informed why the directors had appropriated a sum of £4,000 to themselves? He believed there were 10 gentlemen who had divided this sum. Fourthly, he wished to know under what circumstances Mr. Graves had retired from the direction? and, fifthly, he required an explanation of a sum of £500 paid to Messrs. Wilmer and Wilson over and above a charge of £1,110 for charter fees. He waited for a reply to these questions, and if the reply was not satisfactory he should move the adjournment of the proceedings, and he thought in the meantime a committee should be appointed to inquire into their accounts, and he should call for the names of every gentlemen who voted. Of course the directors would defeat him by proxies. He should, when the proper time arrived, move that this meeting do adjourn for a fortnight, and that the gentlemen of the committee be re-appointed, and that they do report to the adjourned meeting, and that this meeting stand adjourned for 14 days to decide on what course should be adopted.

The Chairman having recapitulated the five questions, proceeded to answer them in their regular succession. First, with regard to the Royal British Bank, it was quite true that at one time there were negotiations opened between the directors of the Royal British Bank and those of this company, and that those negotiations might have involved the taking over the business of that bank and its purchase; but those negotiations did not go beyond the first appointment—they were abandoned, and the whole matter fell to the ground, the first condition made being that there should be a duly authorised statement of accounts; next, as to the time and circumstances under which the 2,000 shares were taken by the directors—they had not been previously allotted, and when allotted they were paid up in cash, if not at the immediate period, immediately after. That was the deposit on the 2,000 shares. Thirdly, as to the sum of £4,000 appropriated by the directors. Now he spoke for himself and his brother directors when he stated that under the circumstances of the case, and considering the unsatisfactory result of the project, they would not pocket one penny for their own advantage. At the period when the directors met a certain number of the shareholders at the office, he must admit there was a prevailing feeling in favour of the dissolution of the company, but there was no record of that fact—it was a private meeting. The directors thought that the project would be likely to succeed if the shares which the French declined were taken up here. The directors took those shares at par without any objection; they took them as original shareholders, and they thus made themselves respon-



sible to the extent of one-third of the preliminary expenses. The honourable gentleman proceeded to show by complicated tables, that had the company been dissolved at the period he had referred to, without the directors taking one farthing of the £4,000, the dividend would have been 15s. instead of 15s. 2d., as now proposed. That £4,000 was taken to repay the amount of liability incurred by the directors in respect to taking the 2,000 shares, &c., but it did not remunerate them. Fourthly, as to Mr. Graves's retirement from the board, it was perfectly true that that gentleman objected to these 2,000 shares being taken up, and with that manly feeling which characterised him, he retired from the direction.

Mr. Hartridge moved an amendment, seconded by Mr. Gunton, which, after some alterations, was put, resolving that a committee of five gentlemen be appointed to investigate the accounts and report furnished by the directors to the shareholders, and upon any other matters they may think desirable to inquire into; and that the meeting be postponed for a fortnight, when the said committee shall make their report to the general meeting to be then held.

The amendment having been put, the show of hands was declared to be:—

For the amendment	...	...	...	...	...	30
Against it	...	...	...	...	...	12
Majority	...	...	...	...	...	18

A poll was then demanded by Mr. Wilson, the result of which was:—

For the amendment, including proxies	...	...	84
For the original motion for the dissolution of the company	...	...	...
	...	...	Votes 144
		...	Proxies 159
			303
Majority against the amendment...	...	...	219

The amendment was negatived, and the original motion was carried.

## BANK OF ENGLAND.

THE usual half-yearly Court of Proprietors of Bank Stock was held in the Bank parlour, on the 19th of March, but it was not numerously attended. Shortly after 12 o'clock, the Governor, Mr. T. M. Weguelin, M.P., accompanied by the Deputy-Governor, Mr. S. Neave, and the other directors entered, and the proceedings were at once commenced.

The minutes of the former court having been read by the secretary and confirmed,

The Governor said—I have now to acquaint the court that this is one of the half-yearly meetings appointed by the twelfth bye-law for the making of a dividend. The net profits for the half-year ending the 28th of February last were £666,330 2s. 10d., making the amount of the "rest" on that day £3,719,855 10s. After providing for a dividend of 4½ per cent., the "rest" will be £3,064,970 10s. The court of directors therefore propose that a half-yearly dividend of interest and profit may be made on the 5th of April next at the rate of 4½ per cent., without deduction on account of income-tax. (Hear.) The governor then put the question that a dividend of this amount be declared.

Mr. C. G. Brown remarked that at the same period last year the dividend was 5 per cent.; the value of money since then had advanced, and there



must have been an accumulation of profits arising from the increased rate of interest. Was there any reason, then, why the dividend should now be one-half per cent. less than it was in the corresponding period of last year?

The Governor—The hon. proprietor will see that we have carried over £64,970, which, if he calculates, he will find is only £8,000 short of a 5 per cent. dividend. (Hear.) The difference of £8,000 may be accounted for through various circumstances, and the profits consequently are nearly the same this half-year as they were at the similar period last year. (Hear.)

Mr. M. Clark said it was clear the Court of Directors could not give more than  $4\frac{1}{2}$  per cent. without evading the rule of taking the "rest" at £3,000,000. It was not the practice to divide quarter per cents., only halves; and as they had on the present occasion only nine half per cents., and not ten, they could not make a 10 per cent. dividend. (Hear.)

The Governor—That is in reality the case.

The question was then put and carried unanimously.

The Governor—I have now to acquaint the court that the dividend warrants will be delivered and paid on Monday, the 6th of April next.

Mr. Thompson—May I be allowed to ask if there is any truth in a report which has been circulated of an intention to allow interest upon deposits? (Hear, hear.)

The Governor—That report is not correct, and was not authorised by the court.

Mr. Thompson—One other question. Is the West-end branch successful?

The Governor—The West-end branch is successful, so far as operations have at present gone.

On the motion, "That this Court shall adjourn,"

Mr. M. Clark proposed a vote of thanks to the governor, the deputy-governor, and the court of directors for their management. "Considering the general course of affairs, the perilous period through which the public had passed, the state of the money-market, and the efflux of gold, great caution and decision was requisite in directing the proceedings of this important institution; and, believing that these duties had been discharged in a most efficient manner, he begged to move that a vote of thanks be carried. (Cheers.)

Mr. Brown seconded the proposition, and desired to add that, with reference to the question he had raised concerning the dividend, it was with the view of eliciting information, he being fully satisfied with the management. (Hear, hear.)

Mr. Clark having put the question, it was immediately agreed to.

The Governor, in acknowledging the compliment, thanked the proprietors on behalf of himself and his colleagues for this testimony in favour of the management, and he desired to assure them that the vote was appreciated. (Hear, hear.)

Mr. Alderman Salomons suggested that the votes of thanks should be advertised in the morning and evening papers; and a resolution to that effect was proposed and carried.

The court then separated, the proceedings having occupied but a very short time.



BANK OF EGYPT.

THE first general meeting of shareholders of this bank was held on the 24th March, Colonel James Oliphant in the chair, when the following report was presented:—

The bank opened for business at Alexandria on the 7th July last; and the directors have now the pleasure, in accordance with the provisions of the deed of settlement, to submit to the shareholders a statement of the affairs of the company ending the 31st December last. The audited accounts which are appended, show a balance, on that date, to the credit of profit and loss, of £5,941 0s. 2d. Favourable as the above results may be deemed, it must be borne in mind not only that the capital of the bank could be but partially employed for the first three months, but also that the charges debited against profit and loss commenced several months antecedent to the opening of the bank for business, and include all rents, salaries, and charges of every description in Alexandria up to the 31st December. The paid-up capital, at the opening of the bank, was £125,000; and the subsequent call of £6 5s. per share, payable on the 31st October last, was met with remarkable punctuality: the working capital was therefore £125,000 for four months, and £187,500 for two months. Although a dividend could thus be made, after setting apart funds for the gradual liquidation of the preliminary expenses, the directors recommend that no division of profits should take place until the expiration of twelve months from the commencement of business, at which time they propose again to call the proprietors together. In accordance with the provisions of the deed of settlement, the directors now go out of office and are eligible for re-election.

LIABILITIES.

Capital, viz.:—10,000 shares at £25 (£250,000), upon which £18 15s. have been called up as follows:—				
Deposit (5 per share) 31st Jan., 1856	£50,000	0	0	
First call (£7 10s.) 31st May, „	75,000	0	0	
Second call (£6 5s.) 31st Oct., „	62,500	0	0	
Capital not called up, £62,500				£187,500 0 0
Bills payable, current and other accounts	...	...		141,287 5 4
Balance (being net profit as below)...	...	...		5,941 0 2
				<hr/> £334,728 5 6 <hr/>

ASSETS, &c.

Cash ... ..	...	...	£43,554	4	8
Bills receivable, advances and other securities	...	...	277,058	3	7
Second call due (since paid)...	...	...	2,500	0	0
Office furniture and fixtures...	...	...	1,421	18	0
Preliminary expenses	...	...	10,194	1	3
			<hr/> £334,728	<hr/> 5	<hr/> 6 <hr/>

The foregoing accounts have been examined by us, and compared with the books at the office, and the balance statement from the managers at Alexandria, and we hereby certify that such accounts are correct.

(Signed)

J. E. COLEMAN, }  
G. W. HORN, } Auditors.



*Profit and Loss, 31st December, 1856.*

<i>Dr.</i>			
To rent, salaries, and charges at London office	... ..	£588	9 3
Rent, salaries, charges, and rebate of interest, at Alexandria	... ..	5,087	0 6
"Net" profit (inclusive of £83 2s. 8d. premium on shares)	... ..	5,941	0 2
		<u>£11,616</u>	<u>9 5</u>
<i>Cr.</i>			
By interest, discount, commission, and exchange	... ..	£11,616	9 6

The Chairman said he had to apologise for the absence of three of the directors who were busily engaged in canvassing their constituents, but he hoped they would allow him to make a few observations on the original formation of the bank, the preliminary expenses incurred in establishing it, the working of the bank up to the 31st December last, its present position, and its future prospects. When the directors undertook the formation of a bank in Egypt, that country was a perfect *terra incognita*, so far as banking was concerned. No such institution had ever been known in Egypt, and it became a matter for the serious consideration of the directors whether, looking at the information they had obtained, it was wise in them to enter on the formation of such an establishment, but after taking everything into consideration and finding that the support of the Egyptian Government was a *sine quâ non* to the success of the undertaking, the directors resolved if that support could be obtained, which was necessary before a charter could be had in this country, to carry it out. Therefore it was that in the contract they made with regard to the original expense of obtaining this support of the Viceroy of Egypt, and for obtaining the charter, it was stipulated that the gentleman who undertook to obtain them should himself be alone responsible if his endeavours failed, but that if he were successful the directors would repay him the expenses he had incurred, with such a reasonable amount in the shape of remuneration as to them appeared just. Hence it was that in their preliminary expenses there appeared a sum of £7,500 paid to M. Pasquali. He might tell them that M. Pasquali considered this a less sum than he ought to have received. His account included some items it was difficult to disprove. At the same time, the directors, looking at the time M. Pasquali had been engaged in the work and at the expenses he had incurred, determined upon awarding the sum he had mentioned. He might add that, taking into consideration the experience they had, and what they had a right to look forward to, the directors saw no reason whatever to regret the arrangement they had come to. There were two other items in the preliminary expenses which he thought it right to explain. One was a sum to a gentleman who had occupied the situation of secretary, and who might have expected to retain the office, and they thought it right to make him a small remuneration. The other item he believed was customary in the establishment of all sorts of companies; it was a sum which was paid to gentlemen of the Stock Exchange for their interest in laying before the public and bringing forward at the Stock Exchange what they desired to come authorised in their names. There would still be a few items to add, which would be of small amount, one of which was for the deed of settlement, the account for which had not come in, and the payments included every thing that was requisite for procuring the sanction of the viceroy, and obtaining the charter in this country. Now, in regard to what they had



done during the first six months of their operations—it was hardly fair to call them six months, because if they looked at the accounts they would see that a small portion of the capital only was available in Egypt during a great portion of the time. At the end of September, another portion became available, but in Egypt no such thing as a bank was known, and there was no such thing as a depositor, and no such thing as a bank note at present, though he hoped there soon would be, and therefore he thought they would not think it a very bad account they had to render of their stewardship, when in so small a time and with so limited a capital they could show such a balance to the credit of profit and loss. That balance would have been considerably more if they had adopted the usual mode of transacting banking business in Egypt, but he thought they could better ask for the confidence of the shareholders when they showed that they had resolved faithfully to pursue the legitimate practice of banking pursued in this country, to look to the security of their loans rather than by making a coup, as it was called, putting in jeopardy what was entrusted to their management. He might also observe that the profits in January and February, as compared with the preceding months, showed an increase of 50 per cent., which he hoped would be taken as a satisfactory indication that the business of banking in Egypt would steadily increase. He thought it right to mention another thing which was exceedingly creditable to the managers in Egypt—that up to the time to which the accounts extended, they had not made a single bad debt. He would also remark that the accounts had been open to the inspection of the shareholders during the last ten days, and had been submitted to the official accountants, Mr. Coleman and Mr. Horne. One of his co-directors had reminded him that they had made one bad debt since the accounts were made up, but he believed that the loss would be a mere nothing. He should be ready to answer any question which might be put to him; and in conclusion he moved the adoption of the report,

Mr. Howes seconded the motion, and said he should like to know the kind of sanction the Viceroy of Egypt had given to the undertaking; also in whose hands the management in Egypt was placed. He did not think it ought to be in the hands of any but Englishmen, nor did he think the manager should be a director, as there had been one instance in the city where the managing director had managed to appropriate the whole capital to himself.

A shareholder said he did not think it necessary to propitiate the Stock Exchange by giving them anything.

Mr. Howes believed it was usual to allow the brokers at the Stock Exchange a commission on the shares they took themselves, but he objected to giving them a commission on the whole of the shares.

The chairman said, with regard to the sanction of the Viceroy, he allowed them the privilege of establishing a bank there under the sanction of the British vice-consul, who had been exceedingly useful to them. The Government of Egypt had also supported the bank themselves. About three weeks ago they were threatened with the establishment of a rival bank, which he was happy to say would not be allowed to take place. The commission granted was not on the whole of the shares. The management at Egypt was in the hands of M. Pasquali and Mr. Forceman, the latter of whom was appointed from his strong recommendations in the city. It was thought well to join M. Pasquali in the management, as he was a native of Alexandria, and knew the country.

Mr. Howes—The management being placed in the hands of M. Pasquali is not satisfactory to us.



The Chairman—No act of M. Pasquali's is binding without the authority of Mr. Foreman.

Mr. Sebag thought it exceedingly desirable that they should avail themselves of the knowledge of a native of the country. He apprehended that the supreme control was in the London office, and there was communication in a few days by steamer. A friend of his (Mr. Galloway), who lived at Alexandria, informed him that the bank stood exceedingly well in that city, and especially with the British merchants there, and that Alexandria was a profitable field for banking. He trusted that the bank would not, as other banks had done to their loss, make advances on goods.

The Chairman said there were no advances on goods.

The motion was then put and carried unanimously, and the directors were re-elected with the exception of M. Pasquali.

The Chairman said they thought it better that the name of M. Pasquali should no longer appear in the list of directors, but he was anxious that the proprietors should keep a place in the direction open for a gentleman he had in his eye, who was connected with the Peninsular and Oriental Company, the intimate relations of which with the Pacha of Egypt they were all acquainted with. That gentleman had gone to the East, but he would be in this country in six weeks.

Mr. Howes moved that the directors be empowered to fill up the vacancy, subject to the confirmation of the shareholders.

The motion was agreed to, and

The Chairman, in answer to a question, said the gentleman in question was Mr. James Hartley.

Mr. Coleman and Mr. Horne were then re-appointed directors, and the meeting concluded with the usual vote of thanks to the chairman.

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#### OTTOMAN BANK.

The first annual meeting of this bank was held on the 26th March, at the offices of the company, Old Broad-street, Dr. Layard in the chair, when the following report was presented.

By the royal charter of incorporation, which was issued on the 24th of May, 1856, it is required, that within one year, a deed of settlement, approved by the Treasury, should be entered into by the shareholders. This deed fixes the month of March as the period for the annual meeting of the company; and, although it has not been found practicable to complete that instrument, so as to admit of its being executed by the shareholders in sufficient time to hold a meeting under its provisions during the present month, the directors have considered that it would be satisfactory to the shareholders to be called together for the purpose of receiving a report of the past operations of the bank, its present position and future prospects. Hence, the present meeting of the registered subscribers. The accounts, from the date of the commencement of business up to the 31st December, 1856, audited by Mr. Coleman, the public accountant, are appended, and show a balance to the credit of profit and loss of £31,479 19s. The directors recommend that a payment of 15s. per share (being equal to 10 per cent. per annum on the called-up capital to the 31st December last) should be made to each registered shareholder on his signing the deed of settlement, which will lie at the offices of the bank for execution, on and after the 26th March instant. The proposed payment of interest will leave a balance of £12,729 19s. to be carried to the credit of the current year's account. The directors feel justified in congratulating the shareholders upon the success



which has hitherto attended the operations of the bank. They have the satisfaction of knowing that the advantages offered, by the introduction into Turkey of a legitimate system of banking, are appreciated, and that the credit and usefulness of the bank is daily increasing in the East. They confidently anticipate that the results which were contemplated, when the Ottoman Bank was established, will be fully realised. The prospectus contemplated the establishment of branches, not only in Constantinople, but in some of the principal ports and cities of the Turkish empire; and, accordingly, the operations of the bank have already been extended to Smyrna, Beyrout, and Galatz. Although, at the present moment, it does not appear to the directors necessary to make a further call, they deem it right to notify to the shareholders that a profitable extension of business may necessitate the payment of the remaining instalment on the shares. The directors have been fortunate enough to secure the services of Mr. Falconnet, a gentleman of large continental banking experience, as their general manager, under an arrangement calculated to advance the interests of the undertaking. Mr. Falconnet is absent on a tour of inspection of the establishments, and the directors anticipate much advantage from the practical experience which he will bring to bear upon the working of the several branches, and the knowledge which a personal inspection cannot fail to afford him for future guidance in the general management of the bank. The establishment of a Turkish national bank has received considerable public attention during the last twelve months. The directors have taken such steps in the matter as in their judgment were consistent with the interests of the shareholders of the Ottoman Bank, and in furtherance of which, and for the general interests of the bank, the chairman has, at the request of the board, twice proceeded to the East. In conjunction with influential French parties, the directors made proposals to the Porte which were, they believe, best calculated to give full effect to the desire of the Turkish Government to place its finances on a satisfactory footing; but, in common with the house of Rothschilds and the Association of Native Bankers at Constantinople, the directors considered it their duty to decline the counter proposal made by the Porte, on the ground that the terms suggested involved speculative considerations not within the legitimate operations of a commercial bank. Should the very important differences which are understood at present to exist between the parties who accepted the Porte's terms, and the Turkish Government, be adjusted, and large amount of capital necessary for the establishment of the proposed national bank be forthcoming, the directors will be prepared to avail themselves of the advantage which cannot fail to result to the Ottoman Bank from any amelioration of present unsatisfactory condition of the Turkish currency.

*Liabilities and Assets of the Ottoman Bank, 31st December, 1856.*

LIABILITIES.				
To capital called—25,000 shares at £20				
each, upon which £15 has been				
called—deposit due in February				
last ... ..	...	£125,000	0	0
1st call due 17th May last	...	125,000	0	0
2nd call due 8th October last...	...	125,000	0	0
		£375,000	0	0
Less outstanding—2nd call	...	13,450	0	0
Carried forward			£361,550	0 0



Carried forward	...	£361,550	0	0
Bills of exchange, and amounts due by the bank and its branches, on deposits and current accounts	...	340,314	16	0
Profit and Loss account	...	31,479	19	0
		<u>£733,344</u>	<u>15</u>	<u>0</u>

## ASSETS.

By cash on hand in London and at the branches	...	£112,898	6	3
Bill of exchange, promissory notes discounted, and balances due to the bank in current accounts	...	283,745	15	1
Loans and securities	...	325,668	18	8
Leasehold premises, furniture, &c., in London and at the branches	...	5,031	15	0
Balance of preliminary expenses carried forward	...	6,000	0	0
		<u>£733,344</u>	<u>15</u>	<u>0</u>

*Profit and Loss Account, 31st December, 1856.*

<i>Dr.</i>				
To current expenses, telegraphs, postages, &c.	...	£565	4	11
Rent of London office to 31st December, 1856	...	337	13	6
Salaries in London office and of direction	...	3,457	19	0
Amount of preliminary expenses	...	£7,496	2	2
Less—written off to the present year	1,496	2	2	1,496 2 2
Leaving for liquidation hereafter	...	<u>£6,000</u>	<u>0</u>	<u>0</u>
Balance	...	31,479	19	0
		<u>£37,336</u>	<u>18</u>	<u>7</u>

<i>Cr.</i>				
By profits	...	£37,336	18	7

I have examined the several statements transmitted from the establishments at Constantinople, Smyrna, Beyrout, and Galatz, and the books in London upon which the accounts have been framed, and hereby certify as to their accuracy, according to such documents and books to the 31st December, 1856.

(Signed) JAMES EDWD. COLEMAN, Public Accountant.

LONDON, 5th March, 1857.

The report and cash account having been taken as read,

The Chairman congratulated the subscribers upon the results of their operations up to that point. The meeting had been called because it was thought desirable that there should be an annual rendering of accounts, and it took place at that particular time, because the deed of settlement, when executed, would fix the annual meeting in the month of March. The delay which had occurred in the completion of that deed arose from circumstances over which the directors had had no control. They had in fact only just obtained the document from the Treasury, but it was then actually in the office, and was ready for the signatures of the shareholders. The



accounts had been examined by Mr. Coleman, the well-known public accountant, in whom the board had every confidence, and whose signature, the meeting would have observed, was appended to them. (Hear, hear.) The company's branch at Constantinople had opened since June last, that at Galatz since July, that at Smyrna since September, and that at Beyrout since October. The circumstances which had led to the establishment of this institution were as follows: The meeting were no doubt aware that the Turkish government had for some time been desirous of introducing banks, and of availing themselves of European capital; indeed, in the royal edict attached to the treaty of Paris, it was specially declared that the government of the Sultan would occupy itself in the establishment of banks in Turkey. Several gentlemen who were interested in financial matters determined to engage in these important operations, and they asked him (Mr. Layard) if he would be the chairman of a Turkish bank. He (Mr. Layard) had not much practical acquaintance with banking; but still he felt so deep an interest in the affairs of Turkey, and was acquainted with so much of the country, that he felt himself justified in acceding to the proposal. It was the desire of the directors, if possible, to establish a national Bank of Turkey, which might conduct the financial operations of the Turkish government. Some gentlemen in France entered into this idea, and a plan was drawn up which he was authorised to submit to the Turkish government. Dr. Evan, a man of considerable ability, was sent to advocate the interests of those gentlemen in France; and the plan was almost accepted, when, unfortunately, a change took place in the Turkish ministry. The new Grand Vizier, Reschid Pacha, stated that the plan was not in accordance with his views. He wished to establish a national bank, and to make that the sole object of any financial alteration in Turkey. He (Mr. Layard) had at that time left Turkey, and was in Italy; but, at the urgent request of the directors, he returned to Constantinople. He found that Reschid Pacha had himself drawn up a scheme, and he submitted it to the four parties who were desirous of obtaining the concession to establish a bank—viz., their own company, the Messrs. Rothschild, the Association of Native Bankers, and Messrs. Wilkins. He (Mr. Layard) duly considered that plan, and he felt it his duty, in conjunction with Messrs. Rothschild and the Association of Native Bankers, to reject the proposal, which appeared to him to involve considerations that were quite beyond the legitimate scope and action of a national bank. He therefore declined the conditions which had been offered him; and that step which had been ratified by the directors, would, he hoped, meet also with the approbation of the meeting. In the meanwhile the board had not been idle, for they had established the four branches which had been named. They had been so fortunate as to secure the services of Mr. Falconnet as their general manager. He (Mr. Layard) could speak from personal experience of the great advantages which had accrued from that step; for as soon as Mr. Falconnet arrived in Constantinople, he at once engaged in a difficult and delicate negotiation with the Porte for a loan; and the manner in which he succeeded in effecting that operation would, he hoped, prove of great benefit to the company. (Hear, hear.) Mr. Falconnet had already gained the confidence and esteem of persons of all classes in Constantinople, Mahommedans as well as Christians; and he (Mr. Layard) had no doubt that he would render the association a very essential service. (Hear.) He (Mr. Layard) had every reason to believe that the branches would prove highly successful. At Smyrna, even the Greek houses, from whom they had met with much opposition, were beginning to make use of the company's bank. (Hear.)



At Constantinople they had had a difficult battle to fight. That being the head quarters, they had naturally met with much opposition, the system of banking heretofore pursued there being of a speculative character, by which a few persons made great profits at the expense of the Turks. Still he saw every reason to hope that the objects they had in view would be well carried out, and that while the shareholders would reap an ample reward, they would be able to afford a substantial benefit to Turkey. (Cheers.) In making up their accounts the board had acted with every caution, and they had given the shareholders as large a dividend as possible consistent with retaining such a reserve as would make them perfectly safe. He hoped that the present dividend would have nothing exceptionable about it, except that if future dividends should differ from it they would be on the right side. (Cheers.) He had heard it said that if the National Bank succeeded it would interfere with the prospects of this institution. But the National bank, if established, would be on the same footing as the Bank of England and the Bank of France, and those two great establishments had not put an end to all banking operations but their own in England and France. (Hear, hear.) So far indeed from the National Bank of Turkey proving injurious to this association, it would rather tend to improve its position by infusing something like regularity into the finances of Turkey. (Hear, hear.) Mr. Layard concluded by moving that a dividend of 15s. per share (equal to 10 per cent.) be paid to each shareholder on signing the deed. (Cheers.)

Mr. Atkinson asked what were the provisions of the deed with respect to the appointment of auditors?

Mr. Dalrymple replied, that the treasury had appointed one auditor (Mr. Coleman), and that at another meeting, which would be held as soon as the deed was signed, the shareholders would be at liberty to appoint another.

The Chairman, in answer to other questions, said that the direction remained exactly as it did except that Mr. Cummins had retired, and his place had been filled up by Mr. Bell, of the firm of Thompson, Bonar, and Co. (Cheers.)

Mr. Atkinson expressed himself perfectly satisfied, but suggested that the names of the directors should be published—those names being quite sufficient to guard the company from any imputation of practices at all resembling those which of late had made the mercantile public of England tremble. (Cheers.) Was the limited liability of the shareholders secured by the deed?

Mr. Dalrymple said that that was provided for by the royal charter. (Cheers.)

Mr. Surrage wished to know whether any loans had been granted to directors; for he observed that a very large portion of the company's assets were stated to be securities for loans. Ten per cent. was a large return, but he would remind the meeting of the Duke of Wellington's maxim, that a high rate of interest generally meant a low rate of security. (Hear hear.)

The Chairman said the Duke of Wellington's remark applied to loans in England. Of course if they took ten per cent. when the legal rate of interest was only five, there would be some ground for Mr. Surrage's remark. The securities were chiefly bonds of the Turkish Government, and that government was notorious for its honesty in such matters. Indeed he was informed that a large portion of them had already been paid off. (Hear, hear.) Of course the directors themselves had had no loans. (Cheers.)

After some further conversation the motion was agreed to, and votes of thanks having been given to the chairman and directors, the meeting broke up.



## Communications.

*To the Editor of the "Bankers' Magazine."*

### WHAT CONSTITUTES A BANKER?

SIR,—Be so good as to decide a question for me in your next publication—"As to what constitutes a Banker?" and whether bank managers and bank agents have any title to call themselves bankers?

A SUBSCRIBER.

*Spalding, 26th February, 1857.*

[We think bank managers and bank agents have a right to call themselves bankers in a popular sense, as being persons transacting the business of banking. If they are members of a joint stock bank they are bankers within the meaning of the bankrupt laws. The Attorney-General has lately given a well-considered opinion on the question what constitutes the business of a banker, and conceives it essential that he should receive cash and hold it to honour cheques payable on demand. It has been contended in these pages that no person is a banker who does not make the return required by the banking acts. The word banker may be used in various senses.]

### ACCEPTANCE VARYING FROM TENOR.

SIR,—Will you, or some of your correspondents, favour me with your opinion in your next month's magazine on the following points of importance to bankers:—A bill of exchange, dated 1st of the month, at three months, would become due on the 4th, but the acceptor makes it payable on the 5th in writing across the face of the bill: is the acceptor bound to pay the bill on the 4th or 5th? would a notary be justified in noting it on the 4th? and does not the drawer acknowledge the acceptance of the 5th by receiving it without alteration.

I am, sir, your obedient servant,

A JOINT STOCKBROKER'S CASHIER.

*London, 26th February, 1857.*

[The acceptance is valid, and the bill is not due until the 5th, and cannot be protested sooner; but if there were indorsers whose consent to the extension was not obtained, it is presumed they will be discharged. The drawer could have protested the bill for non-acceptance.]

### BILLS OF EXCHANGE.—LIABILITY OF DRAWER.

SIR,—Be kind enough to inform me in what relation does the *drawer* of a bill of exchange stand with reference to the holder. Is he, like the acceptor, always liable to the last indorser, or will he be exonerated provided due notice (in case of dishonour) has not been given him?

Yours very truly,

*Manchester, 18th October, 1857.*

A NOVICE.

[The liability of the drawer is not like that of the acceptor. The drawer is in the same position as an indorser, and both drawers and indorsers are only liable after the acceptor has made default, and are discharged if due notice of dishonour be not given. Accommodation bills may supply some exceptions to these rules.]



## LIABILITY OF BANKER IN COLLECTING BILL OF EXCHANGE.

SIR,—A banker in Ireland receives a bill for collection from a party in England, with whose existence or stability he has had no previous acquaintance. The bill bears the acceptance of a person living four or five miles out of town—payable at his residence, and due on the day the banker receives it. Is it incumbent on the latter to send a special messenger to present it; and, in addition to the inconvenience which may result to himself, from the absence of his porter or other officer for the greater portion of a day, to incur an expense for car hire, which, as he cannot retain the bill till these expenses be refunded, he has no means of recovering?

Yours obediently,

12th March, 1857.

PROBATIONER.

[It is entirely optional with the banker whether he will act or not, but if he decline to act, we think he should return the bill by next post, although we do not consider him bound to do so.]

## CHEQUES.—PLACE OF ISSUE.—KNOWLEDGE OF BANKER.

SIR,—May I ask the favour of your opinion on the following in your next number?

A public company at E draw cheques upon their bankers at W, which is more than fifteen miles from E, and transmit them by post to their agent at W, for delivery to the payees, such cheques being dated W. Is the place of issue E or W, and are such cheques liable to the penny stamp duty?

If presented to the banker unstamped, is he bound to make any inquiry as to the place of issue, he having no positive, only a presumptive, knowledge that it has not been drawn and issued as stated on the face of it, viz., at W, or must he pay it without inquiry?

I am, Sir, yours faithfully,

25th February, 1857.

CASHIER.

[We think, in order to fix the bankers with any responsibility of the kind suggested, that positive knowledge of the facts must be proved; and we also think that the mere writing out the cheque is not an issuing, and neither is sending it to a servant of the drawer's, to pay to a third party. The nearest case we can find in point is, *Ex parte Bignold*, 1 Deacon's Reports, 712, which will be found fully stated in *Shaw on Cheques*, page 114. The cheque, in our opinion, was not issued within the meaning of the Stamp Act until the agent at W delivered it to the payees, and therefore it was properly dated at W.]

## INDORSEMENT OF OVERDUE BILL.—INSOLVENCY.

SIR,—A bill of exchange, drawn by A upon and accepted by B for £500, payable two months after date, is discounted by A at his bankers. Before the bill becomes due B is insolvent. At the maturity of the bill, A requests his bankers to hold it for a short time, which they consent to do on having further security. A then procures C to indorse the bill, which indorsement is, of course, made after the bill is due. Before the bill is paid, C executes an assignment for the benefit of his creditors. Can the bankers now claim a dividend on the £500 under C's estate?



Will you have kindness to insert this case, with your reply, in the next *Bankers' Magazine*, to oblige  
 March 9, 1857.

AN OLD SUBSCRIBER AND BANKER.

[We think the bankers can claim a dividend on £500 under C's estate, provided there be that amount due from A on the bill; but if not, then on so much as is due. C is in the position of a surety. There is nothing illegal in indorsing the bill after it became due, and was unpaid.]

### CROSSED CHEQUES.

SIR.—Your opinion on the following will much oblige:—

In the country, bankers are in the habit of changing cheques (should the drawer or presenter be known) on other banks. Now, supposing a cheque drawn on Smith, Payne and Co., be presented here by a person known to me, and crossed "and Co.," does the law forbid me to pay that cheque over the counter, or does the "crossing" apply to Smith, Payne and Co. only?

I am, Sir, your obedient servant,

Arundel, March 3, 1857.

B.

[The crossing applies to Smith, Payne and Co. only; and if they paid the cheque to any other party than a banker, such payment would be at their peril. The transaction referred to is not a payment of the cheque, but a negotiation of it, and crossing does not, either before or since the 19 & 20, Vic., c. 25, interfere with the negociability of a cheque.]

### BANK NOTES ON ONE PENNY STAMPS.

SIR.—I perceive some of my neighbours issue drafts on London for more than £5, on a bill or note stamp of one penny. This, to me, does not seem in accordance with act of Parliament. Please favour me with your opinion, and if I am subject to a penalty for negotiating such an order.

I am, Sir,

B. B. B.

Workington, 17th March, 1857.

[If the drafts be payable to order, we think they are legal, and that no penalty is incurred by negotiating them.]

### INDORSING CHEQUE PAYABLE TO BEARER.

SIR.—If a party presents a cheque drawn, payable to bearer, and objects to indorse it, would a banker on that account be justified in refusing payment of said cheque.

Your obedient servant,

A CASHIER.

19th March, 1857.

[We think a banker would not, for the reason stated, be justified in refusing payment, and that it would embarrass bankers if the law were otherwise. If the banker has reason to suspect the cheque to have been stolen, he would be justified in delaying payment until he could communicate with the drawer, taking care to give such a reason as would not damage the drawer's credit.]



## BANKERS' COMPOSITION, COLONIES.

SIR,—Will you kindly inform me in your next publication, what stamp, if any, is required on drafts drawn by any of the banks in the colonies and payable in England? Can they compound under Act 9, Geo. IV. c. 23, same as banks in England, or should the usual foreign stamp be affixed?

I am sir, your obedient servant.

Knaresboro', 12 March, 1857.

C. D.

[The 9, Geo. IV. c. 23, is confined to bankers in England. The usual foreign stamp should be affixed.]

## DEPOSIT BY MARRIED WOMEN.

SIR,—In your number of the 1st instart, in an answer to a question (in a letter signed "Juvenis"), whether a banker can legally take a deposit of a married woman without joining her husband's name in the receipt, you say—"That a bank may take money on a deposit from a married woman without joining her husband's name, but that he can demand and recover the money during his lifetime, and his executors could do so after his death." I am inclined to think that you are wrong in saying that the executors could recover. I assume the deposit to be without fraud or collusion, and with the knowledge or subsequently comes to the knowledge of the husband, and if he omits any intention to reduce that deposit into possession, I think it would become the absolute property of the wife, but as the question is a material one, from the number of deposits so made, I should be much obliged if you would give it further consideration, and if you see no reason to alter your opinion, you need not trouble yourself to take any notice of this letter in your next number.

I remain sir, yours obediently,

10th March, 1857.

AN OLD SUBSCRIBER.

[We certainly think our answer correct as the question was put, and we do not think that the deposit can be technically considered to be out of the husband's possession. In the case of money lent by a married woman on a note payable to herself alone, according to *Byles on Bills*, the wife would be a trustee for the husband's executors. It is a common thing for a husband to allow his wife to keep a separate account at bankers for housekeeping purposes, and not at all intending to secure her any property in the money. Such a state of things was lately considered in an administration suit in Chancery of *Hoyle v. Kindersley*.]

## CHEQUES.—AMOUNT FOR WHICH THEY MAY BE DRAWN.

SIR,—In the commentary on banking and commercial law, in your Magazine of September, 1854, it is stated (referring to the Stamp Act, 17 and 18 Vict., c. 83), "that the limitation of the amount for which a cheque is drawn, which prohibited cheques under 20s., is repealed, and they may now be drawn for any amount." This opinion is, no doubt, founded on the 9th sect. of that act, which repeals the restrictions of the 17th Geo. III., c. 30, on the negotiation of promissory notes and inland bills of exchange under a limited sum, and enacts, "That the said act or any act or acts continuing or perpetuating the same shall, so far as they respectively extend, or may be deemed or construed to extend, to any draft on a banker for payment of money held for the use of the drawer, be repealed." But I find, in a



treatise on the law relating to bankers and banking, lately edited by Mr. James Grant, that "a cheque for less than 20s. is absolutely void, and the uttering or negotiating such instruments render liable to a penalty of £20, mitigable to £5. Also, it is a statutory offence to utter a cheque on which less than 20s. remain due." And, for confirmation, he refers to 48 Geo. III., c. 88., s. 3. That Mr. Grant has not overlooked the act of 17 and 18 Vict., c. 83, is evident from his referring to it in the next paragraph to that which I have referred.

Would you oblige me by your opinion whether Mr. Grant is correct in his law that a cheque under 20s. is illegal?

I am, sir, your obedient servant,

AN OLD SUBSCRIBER R

*Exeter, 28th February, 1857.*

[We have referred to the acts on this subject, which are not easily understood; but we doubt whether we were right in stating the law as we did in 1854. The first of these acts seems to be the 15 Geo. III., c. 51, which made void drafts for less than 20s.; then came the 17 Geo. III., c. 30, to extend the prior act; then the 48 Geo. III., c. 88, repealed the 15 Geo. III., c. 51, and enacted more stringent provisions; then the 3 Geo. IV., c. 70., to suspend, and the 7 Geo. IV., c. 6, to repeal the last act, and revive the 17 Geo. III., c. 30, and enact fresh provisions, and, by it, drafts on bankers are exempted from its operation; then comes the 17 and 18 Vict., c. 83, stated in our correspondent's letter. If all these acts are to be read as one act, there seems to be no limitation on the amount for which a cheque may be drawn, but, if not, then the 48 Geo. III., c. 88, is not expressly interfered with or qualified. It, however, extends only to negotiable instruments, and would not apply to a cheque not payable to bearer or to order. We do not feel satisfied that Mr. Grant is correct, but his view is the safe one.]

### GOSSIP RESPECTING FAILURES.

THE extensive stock of Messrs. Jennings and Hargreaves, stuff merchants, of Bradford, whose failure recently occurred, has been purchased by the firm of Messrs. Morrison, Dillon, and Co., of London; and the creditors, it is said, will realise a dividend of 14s. in the pound, under the management of a committee of inspection. Notwithstanding the low state of the Birmingham glass manufacture, more especially of table descriptions, a limited liability company has been established to carry on the extensive works of Messrs. Harris and Son, now bankrupts; and great confidence is entertained of its success. The Pelsall Collieries have been sold by the assignees of Mr. Greene, late banker, of Lichfield, to Mr. Wardell, of Norton-in-the-Moors, Staffordshire, for £11,500. The value of the collieries at the time of Mr. Greene's bankruptcy was estimated to be close upon £30,000; and it is believed that the bankrupt purchased them from the lessee of the South Staffordshire Railway at a price some thousands higher than the amount for which they are now sold. The loss will be a serious reduction of the dividends expected from the Lichfield Bank estate.



## Notes of the Month.

**ESTIMATES OF THE REVENUE DEPARTMENTS.**—The estimates of the Revenue Departments, so called, for the year ending March 21, 1856, have been published by order of the House of Commons. The grand total charge amounts to £4,699,066, against £4,588,744 in 1856-7, thus exhibiting an increase of £110,322. An increase occurs in the Customs, Post-office, and the non-effective charges, and a decrease in the Customs (the charge for the Coastguard having been transferred to the Navy Estimates) and the Inland Revenue. The gross increase is £626,424, and the gross concurrent decrease £516,102. To the Customs (salaries and expenses) is to be appropriated £855,482; to the Inland Revenue, £1,429,133; to the Irish Revenue Police, £63,120; to the Post-office, £1,868,181, and to superannuations, compensations, &c., of the three departments, £488,150. The items of the Post-office charge include £417,447 for the chief offices in the three capital cities of the United Kingdom; £45,155 for surveyors, &c.; £404,802 for provincial establishments in England and Wales; £48,475 for those of Ireland, and £66,385 for those of Scotland; £18,864 for colonial establishments and agents abroad; £796,323 for conveyance of mails; £40,200 for buildings and repairs, and £30,530 for the making of postage stamps. For conveying mails the following railway companies receive the following sums:—The Bristol and Exeter, £9,260; the Chester and Holyhead, £30,400; the Eastern Counties, £19,517; the Great Northern, £9,304; the Carlisle and Lancaster, £14,412; the North-Western, £56,500; the South-Western, £14,980; the Midland, £27,203; the South-Eastern, £14,625; and the Great Western, North-Eastern and South Wales (which are bracketted together) the sum total of £204,708.

**SILVER COINAGE IN INDIA.**—In 1854-55 the value of the coinage of silver in India was as follows:—At the Calcutta Mint, 7,043,170 rupees; at the Madras Mint, 28,58,429; and at the Mint of Bombay, 37,47,416 rupees. The decrease as compared with 1853-54 and former years is remarkable. In the first-named year the Mint at Calcutta held 2,31,82,702 rupees of silver; the Madras Mint, 67,50,846; and the Bombay Mint, 2,26,00,817 rupees.

**BANKERS, BEWARE!**—Some swindlers, pretending to be a mercantile firm, have been engaged lately in Scotland, Ireland, and other parts, in endeavouring to obtain goods by giving reference to various banks as to their respectability. Of course, upon reference being made, the imposition is detected; but such is occasionally the want of caution among tradesmen, that in some cases the goods have been furnished before the receipt of the answer to the inquiry.

**NAPOLEON DOCKS.**—The Police Court of Paris has given judgment in the case of the Directors of the Company of the Docks Napoleon and M. Arthur Berryer, Government Commissioner, accused of breach of confidence by fraudulently appropriating to themselves the funds of the company. M. Orsi was acquitted; M. Cusin was sentenced to imprisonment for three years and pay a fine of 5,000*f.*; Arthur Berryer, imprisonment for two years and a fine of 5,000*f.*; Legendre, imprisoned for one year and 5,000*f.* fine; Duchesne de Vere, imprisonment for six months and a fine of 2,000*f.*; and by a further judgment, they were sentenced to refund the sums fraudulently appropriated.

**SURVEYORS OF STAMPS AND TAXES.**—It appears, from a return, that there are in England 11 inspectors of taxes, receiving (in the aggregate) salaries of £5,500; in Scotland, 7, receiving £2,400; and in Ireland, 3, receiving £1,500.



The number of surveyors of stamps and taxes is in England, 197, salaries, £49,780; in Scotland, 37, salaries, £6,200; and in Ireland, 17, salaries, £4,490.

**BIRMINGHAM DISTRICT COURT OF BANKRUPTCY.**—The first meeting under the fiat issued against Messrs. Fox and Henderson has taken place before Mr. Registrar Waterfield. Both the bankrupts were present. The proceedings were merely formal, and the choice of assignees passed off without the slightest opposition. The gentlemen nominated and appointed were:—Mr. Joseph Robinson, of the Ebbw Vale Company; Mr. Charles Browning, ironmaster, of the Milford Works, Staffordshire; and Mr. James Timmins Chance, glass-manufacturer, Smethwick. The debts proved amounted to somewhere about £60,000. The examination of the bankrupts is fixed for the 30th of March. The assignees were inspectors under the deed of assignment.

**THE PUBLIC DEBT.**—The gross amount of all sums received and credited (including interest) by the commissioners for the reduction of the debt on account for banks for savings and friendly societies, from August, 1817, up to the 20th of November, 1856, was £74,801,612, and the gross amount of the sums paid £37,729,691. £33,645,826 was paid for the purchase of the following stock, standing in the names of the commissioners, viz.:—£27,520,423 Three per Cents.; £31,900 Two-and-a-Half per Cents.: £5,480,000 Exchequer bills; and £1,765,000 Exchequer bonds. The gross amount of interest paid and credited to savings banks and societies up to and due on the 20th of November last was £29,262,481. £74,218 immediate and £1,300 deferred annuities were granted within the year ending the 5th of January, 1857. £226,999 is the gross amount of all moneys received and paid by the commissioners on account of the fund for military savings banks between the 19th of September, 1845, and the 5th of January, 1857.

**CUSTOMS MUTUAL GUARANTEE FUND.**—The Commissioners of Customs have authorised the formation of a mutual guarantee fund for such officers of that establishment as may be disposed to avail themselves of it, in lieu of providing by other means the personal security required from them. It is to be constituted by a payment from each officer of one per cent. on the amount of security taken. No further payments will be called for, except in case of necessity, to prevent the fund from falling below £3,500.

**RICH MEN IN NEW YORK.**—Wm. B. Astor is our richest man; he inherited his wealth. Stephen Whitney, 5,000,000 dols., owes his fortune to speculations in cotton, and the rise in real estate. W. H. Aspinwall, 4,000,000 dols., came of a rich family, and gained vast increase of wealth in the shipping business. James Lennox, 3,000,000 dols., which he inherited. The late Peter Harmony, 2,000,000 dols.; came to this city as a cabin-boy, and grew rich by commerce. The Lorillards, 2,000,000 dols., came from France poor, and made their huge fortunes in the tobacco and snuff business. The late Anson G. Phelps, 2,000,000 dols.; learned the trade of a tinner, and made a fortune in iron and copper. Alexander T. Stewart, 2,000,000 dols., now of the dry goods palace; began business in a little fancy store. Of those who are put down for 1,500,000 dols., George Law began life as a farm labourer. Cornelius Vanderbilt as a boatman. John Laffarge as steward to Joseph Bonaparte. Of the millionaires, James Chesterman began life as a journeyman tailor, and Peter Cooper as a glue maker. George Bancroft, Professor Anthon, Thomas M'Elrath, and Dr. Francis are each stated to possess 100,000 dols. Edwin Forest is rated at a quarter of a million; so is Sidney E. Morse, of the *New York Observer*. Mr. Bennet has 150,000 dols. But perhaps the most remarkable of all is that Mrs. Okill has made 250,000 dols. by keeping school!—*Charleston Courier*.



**EXCHEQUER-BILL ISSUES.**—It appears that, owing to a portion of the plates and paper employed for the Government Exchequer-bills having been destroyed at the recent fire at Messrs. Perkins, Bacon, and Co., the Government will be unable to issue new bills to the amount of about £600,000 against those recently sent into the Exchequer for renewal. The descriptions wanted are those of £200 and £500 each, and they are not expected to be ready for a month. It is singular that precaution should have been neglected for preserving a duplicate stock against accidents.

**THE PRESENT PARLIAMENT.**—The present, which is the fourth Parliament of Queen Victoria, and the sixth of the "Reformed" Parliaments, was elected in July, 1852, under the auspices of the Earl of Derby, then at the head of the Tory Administration. It would not, according to the Septennial Act, die a natural death until the 20th of August, 1859 (the day on which the writs for the new Parliament were made returnable), but since the year 1826 no Parliament, according to Mr. Dod, has approached its extreme limit. The present Parliament, if dissolved without any material delay, will have failed to attain the age of five years by some four or five months. The Russell Parliament, elected in July and August, 1847, lasted four years seven months and twelve days, and the Parliament which placed the late Sir Robert Peel in office in the year 1841, lasted as long as five years and eleven months, or very nearly six years. This was the longest of the Reformed Parliaments, the shortest having been the first, elected at the end of the year 1832, the age of which was one year and eleven months only. It will be found that the average duration of the six Reformed Parliaments elected from 1832 to 1852 has been, as nearly as possible, four years.

### MERCANTILE SUSPENSIONS.

The following is the list of the principal mercantile suspensions during the month of March :—

- March.—Messrs. Swayne and Bovill, London, merchants, and patentees of machinery.  
 „ Cheape and Leslie, London, merchants.  
 Mr. O. Foa, Old Broad Street, seed merchant.  
 Mr. E. Train, Liverpool, merchant.  
 Messrs. F. W. Stein and Co., London, silk trade.  
 „ Barnes, Copland, and Co., London, provision merchants.  
 „ Dodge, Bacon, and Co., London, and Newark (U. S.), merchants and patentees.  
 „ R. James Brown and Co., Sunderland, timber merchants and ship builders.

The estates of Messrs. Swayne and Bovill, and Messrs. Barnes, Copland, and Co., are to be wound up under inspection; and the balance-sheets appear in another part of the *Bankers' Magazine*. Messrs. Dodge, Bacon, and Co., after temporarily suspending, have renewed business, the parties abroad for whom they were under engagement, being in a situation to meet those special liabilities. The failure of Messrs. R. James Brown and Co., of Sunderland, is for upwards of £250,000; and the assets, it is stated, will pay about 10s. or 12s. in the pound. It is feared other houses connected with them must follow. The affairs of Mr. Train, of Liverpool, or of Mr. Foa or Mr. Stein, of London, do not involve a large amount.



## BANK MOVEMENTS.

The Committee on the Bank Charter Act has permanently adjourned, in consequence of the dissolution of Parliament.

It is stated that, owing to the protracted absence of Sir H. L. Bulwer on his diplomatic mission in the East, Mr. Roebuck has been elected Governor of the Western Bank of London.

It has been announced by the Attorney-General that in the next Parliament he intends to bring in a bill for the punishment of banking delinquencies and other analogous breaches of trust, and also a bill to facilitate the winding-up of the Royal British Bank.

The directors of the Ionian Bank have declared a dividend at the rate of 5 per cent. per annum.

The directors of the Bank of Australasia have declared a dividend at the rate of 20 per cent. per annum.

## MONTHLY CHRONOLOGY.

March 3.—The suspension of Messrs. Swayne and Bovill, merchants and patentees of machinery with liabilities estimated at about £100,000.

3.—In connexion with Messrs. Swayne and Bovill, the stoppage of Messrs. Cheape and Leslie, in the East India trade was also notified.

4.—Ministers defeated in the House of Commons by a majority of sixteen, on a motion of Mr. Cobden deprecatory of the Chinese war.

4.—Announcement of the failure of Mr. Gustave Foa, seed merchant, of Old Broad-street.

5.—Announcement made in both Houses of Parliament that, in consequence of the adverse vote on Mr. Cobden's motion, Ministers did not intend to resign, but to appeal immediately to the country.

6.—Suspension of Messrs. Barnes, Copeland and Co., provision merchants. The liabilities of the firm estimated at £40,000.

10.—Failure of Messrs. Dodge, Bacon and Co., of London and Newark, New Jersey, merchants and patentees of India-rubber cloth. Estimated liabilities, £100,000.

17.—Liquidation of the London and Eastern Banking Company announced.

21.—Parliament prorogued by Commission, and subsequently dissolved by Royal Proclamation, published in a Supplement to the *London Gazette*.

25.—Suspension of Messrs. R. James Brown and Co., timber-merchants and ship-owners, of Sunderland; their liabilities said to be about £250,000.

26.—The first election for members to serve in the new Parliament took place at Westminster.

## Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF  
MARCH, 1856.

THE course of financial and mercantile affairs during March has not been distinguished by much variety. The pressure in the money market has not diminished, but although the rates at the Bank of England and in Lombard-street have been supported at their former elevation, the public have sus-



tained little inconvenience. Several gold vessels have arrived from Australia, and remittances have been received from America, but nearly the whole, if not the whole, is purchased to supply the demand on the continent and to provide the large amount of silver forwarded to China and India. But while this is the case and the withdrawals from the Bank have slightly augmented, the stock of bullion has been kept in a favourable position by the return of coin from Ireland and Scotland and the influx of specie from Turkey, the Levant, &c., and consequently the weekly returns have not occasioned alarm. The adjustment of the accounts at the Stock Exchange are now regarded with some anxiety, as they temporarily influence the value of money, and lead, during the progress of their arrangement, to an increased call in all quarters. As far as at present can be ascertained, there is little expectation of a return to ease, since the heavy advances made by the Bank will have to be repaid when the April dividends are distributed, and no great surplus can be retained from the further remittances immediately anticipated from Australia. Indeed, it seems to be believed, by those conversant with the probable future of the money market, that any relaxation cannot be looked for previously to the turn of the half-year, and that a great deal will then depend upon the progress of the crops and the general state of trade. It will be requisite to bear in mind that even a favourable alteration will, at this advanced period, also be subject to the disposition evinced to encourage speculative business, and that if attempt shall be made to launch numerous joint-stock schemes, they will at once retard and perhaps permanently delay the movement. The bankers and discount establishments are well supplied with capital, but some of the latter have incurred losses through the recent failures. This was to have been expected, from the competition to secure business, especially since the organisation of discount companies and the introduction of several new joint-stock banks. The rates for money on the continent have not presented much alteration, with the exception of Hamburg, in which city they have gradually advanced to  $5\frac{1}{2}$  per cent., owing to the continuous operations in silver. As an approximate estimate (an exact account being impossible), it may be stated that the imports of the precious metals during the month have been about £2,000,000 and the exports about £3,200,000.

The range of prices in Consols has been about one per cent., but the actual decline has not been more than three-eighths. The operations have been wholly influenced by the events connected with the dissolution of Parliament, and although at length there has been a trifling recovery, sales on the average have preponderated. An impression appears to be entertained that after the elections renewed activity will be manifested, and that the markets for public securities will altogether exhibit a buoyant tendency. Exchequer bills have presented scarcely any alteration, few transactions having taken place either in the large or small issues.

Foreign securities have been dealt in to some extent, but Turkish and Mexican have taken the lead. A rise in both these descriptions has occurred, though the former has alone maintained the improvement. Mexican, ~~and~~ advancing about  $2\frac{1}{2}$  per cent., has receded nearly  $1\frac{1}{2}$ , the treaty with America, through which pecuniary assistance was proposed, having been rejected. Turkish, to the latest moment, remains supported, and further purchases continue to be effected. Russian does not seem so firm as at the commencement of the month, and Peruvian has suffered, owing to the expectation of new supplies of guano from other sources. Speculative business has, however, latterly generally diminished.

In railway shares there has been fluctuation to the extent of about £4 or £5 per share. After a general improvement, a reaction has ensued, and



medium quotations are those now current. A good business has been transacted and Indian and foreign shares have participated in the movement. Whenever the half-monthly settlements occur, the pressure for money partially arrests the upward tendency and for the time a subsidence of activity is noticeable. That is now the case, but it is thought the market will not long continue in a passive state.

Joint-stock bank shares have declined, and quotations in most directions exhibit heaviness. Australian securities present a drop of £4 or £5, the endeavour to establish a Government bank of issue in Victoria having alarmed holders. Other shares are unfavourably influenced by the revelations of the Royal British Bank and the London and Eastern Banking Company.

The following are the fluctuations in the English and Foreign Stocks, and Railway Shares, during the month just concluded :—

				Price on Feb. 26.	Highest.	Lowest.	Price on Mar. 28.
<b>ENGLISH FUNDS.</b>							
Consols	...	...	...	93½-93¾	93¾	92¾	93½-93¾
Exchequer bills	...	...	...	{ par to 4s. pm.)	4s. pm.	3s. dis.	{ 1s. dis. to 3 pm.
<b>FOREIGN STOCKS.</b>							
Brazilian	...	...	...	—	103½	102	102
Chilian	...	...	...	—	105	104½	105
Dutch, 2½ per cent.	...	...	...	65	65½	65	65
Mexican	...	...	...	21¾	24½	21¾	22¾
Peruvian, 4½ per cent.	...	...	...	80½	81½	77½	78
Russian	...	...	...	110	110	107	108
Spanish	...	...	...	40½	41½	40½	41½
Turkish, 6 per cent.	...	...	...	96½	99	95½	98¾
Ditto, 4 per cent.	...	...	...	101½	101½	100½	101
<b>RAILWAY SHARES.</b>							
Brighton	...	...	...	109	110	107½	108½
Caledonian	...	...	...	68½	71	67½	68½ x d.
Eastern Counties	...	...	...	10½	11½	10½	11½ x d.
Great Northern	...	...	...	94½	98	93	96¾
Great Western	...	...	...	69	69½ ex. d.	67½	68½
Lancashire and Yorkshire...	...	...	...	100½	102½	98½ ex. d.	102½
London and North Western	...	...	...	109	109½	103½	104½
Midland	...	...	...	84½	85½	80½	82¾
South Eastern	...	...	...	78½	79½	73½ ex. d.	76
South Western	...	...	...	105½	106½	104	103½
York, Newcastle, and Berwick	...	...	...	89½	90	84½ ex. d.	86½
York and North Midland	...	...	...	65	65½	61½ ex. d.	63½
East Indian...	...	...	...	113½	114½	111	111½
Northern of France	...	...	...	38	41	37½	40¾

### THE GRAIN TRADE.

LITTLE variation has taken place in the several markets, but there is a tendency towards decline. At Mark Lane, the trade rules heavy; and



since supplies increase, the result seems pretty certain. The accounts from the principal districts are favourable, the appearance of the young plant being satisfactory.

The *Gazette* returns for England and Wales have been :—

	Week ending 1857.	Wheat Qrs. sold.		Weekly Average.		Six Weeks' Average.		Duty.		Corresponding Six Weeks Last Year.	
				s.	d.	s.	d.	s.	d.	s.	d.
Feb.	21	108,890	...	55	10	...	57	6	...	1	0
"	28	108,805	...	55	5	...	56	10	...	1	0
Mar.	7	112,007	...	55	4	...	55	3	...	1	0
"	14	109,123	...	55	6	...	55	10	...	1	0
"	21	106,868	...	55	10	...	55	9	...	1	0

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grain. Qrs.	Total. Qrs.
Thirty weeks ended 11th Feb. ....	3,058,131	1,959,524	5,017,655
Five weeks ended 18th March .....	153,043	201,151	354,194
	3,211,174	2,160,675	5,371,849

And the *weekly averages* have been :—

Thirty weeks ended 11th Feb.....	102,000	65,000	167,000
Five weeks ended 18th March.....	30,000	40,000	70,000
Less .....	72,000	25,000	97,000

## THE STATE OF TRADE.

BUSINESS in the manufacturing districts has been interrupted by the progress of the elections, and no revival of activity will take place until they have terminated. There are, however, few complaints of falling prices.

## NOTICES TO CORRESPONDENTS.

There are still two or three important communications in arrear, and notwithstanding an additional quantity of space, we are unable to find room for several reviews. The increase of banking meetings, and the proceedings connected with the Royal British Bank and the London and Eastern Banking Companies, continue, as must be perceived, to occupy a considerable portion of the *Magazine*. Correspondents will please remember that letters, to ensure punctual attention, should be forwarded by the 20th of the month. VERAX and ENQUIRER (Glasgow) will understand from the above the cause of the postponement of their letters.

DEPUTY-CASHIER.—The establishment had long been regarded with suspicion.

AN ORIGINAL PROPRIETOR.—Success may be ensured, but the working of the double institution is viewed by many as doubtful.



THE ENGLISH FUNDS.—Daily Prices from 25th February, to 27th March, 1857, inclusive.

	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Bank, Stock, div. 4 p.c. year	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230
3 per Ct. Red. Ann.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
3 per Ct. Consols Ann.	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
New 3 per cent. Anns.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto ex. div. for opening	78	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
New 5 per cent.	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114
Long Anns. Jan. 5, 1860	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Ditto 30 years, Oct. 10, 1859	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
Ditto 30 years, Jan. 5, 1860	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
India Stock (div. 104 percent.)	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Do. Bonds £1000 (div. 4 p.c.)	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Ditto, under £500	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22	22
3 p. Ct. Cons. for ac. 5th March	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
Ditto for account 8th April	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
India Stock for ac. 8th April	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
Ex. Bills £1000, 24d. per dim.	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Ditto, £500 do.	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Ditto, Small do.	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Ditto, Advertis.	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Ditto Bonds A 1838 34p.c.	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Ditto under £1000	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Ditto B 1859	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Ditto under £1000	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98

JOINT-STOCK BANKS.

	London	Latent	Prices
Australasia	£40 sh.	£40	0 pd. 43
British North American	50	50	0
Bank of London	100	100	0
Commercial of London	100	100	0
Colonial	100	100	0
City Bank	100	100	0
London and Westminster	100	100	0
Oriental Bank	100	100	0
Provincial of Ireland	100	100	0
National Bank	100	100	0
South Australian	100	100	0
Union of Australia	100	100	0
Union of London	100	100	0
London and County	100	100	0
London Chartered of Australia	100	100	0
Eng., Scot., & Austr. Chartrd.	100	100	0
Bank of India, China, & Australia	100	100	0
New South Wales	100	100	0
Bank of Egypt	100	100	0
Ottoman Bank	100	100	0

FOREIGN STOCKS (25th March.)

Brazilian Bonds, 5 per Cent.	102
Chilian Bonds, 6 per Cent.	103
Danish 5 per Cent.	103
Mexican 3 per Cent.	103
Peruvian 4 per Cent.	103
Portuguese Bonds, 4 per Cent.	103
Russian Bonds, 1822, 5 per Cent. in 4 Ster.	103
Ditto, 44 per cent.	103
Spanish Bonds 5 per Cent.	103
Ditto, 3 per Cent. Deferred	103
Turkish 6 per Cent.	103
(Dividends on the above payable in London.)	
Dutch 24 per Cent. Loan	103
Ditto 4 per Cent. Loan	103
French 41 per Cent., at Paris, Mar. 27, 1857, 35c.	103
Ditto 3 per Cent., ditto	103

RAILWAY SHARES.

	Contrast.	£	2d	Prices
Caledonian	..	..	..	67 1/2
Eastern Counties	..	..	..	10 1/2
Great Northern	..	..	..	92 1/2
Great Western	..	..	..	69 1/2
London and Blackwall	..	..	..	6 1/2
London and Brighton	..	..	..	109 1/2
North-West	..	..	..	108 1/2
South-West	..	..	..	108 1/2
Midland	..	..	..	108 1/2
South-Eastern	..	..	..	84 1/2
York, Newcastle, & Berwick	..	..	..	77 1/2
York & North Midland	..	..	..	85 1/2

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows:—

## ISSUE DEPARTMENT.

	1857. Feb. 21st.	1857. Feb. 28th.	1857. March 7th.	1857. March 14th.
Notes issued.....	£ 24,168,680	£ 24,113,640	£ 24,098,045	£ 24,049,625
Government debt.....	11,015,100	11,013,100	11,015,100	11,013,100
Other securities .....	3,459,900	3,459,900	3,459,900	3,459,900
Gold coin and bullion .....	9,693,680	9,638,640	9,623,045	9,574,625
Silver bullion .....	—	—	—	—
	24,168,680	24,113,640	24,098,045	24,049,625

## BANKING DEPARTMENT.

	1857. Feb. 21st.	1857. Feb. 28th.	1857. March 7th.	1857. March 14th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,521,386	3,719,864	3,736,003	3,800,464
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts) ....	7,455,390	7,684,189	8,137,341	8,674,488
Other deposits .....	9,294,508	10,715,611	9,955,504	9,798,887
Seven day and other bills .....	726,860	743,563	739,595	700,367
	35,550,544	37,416,217	37,173,043	37,527,176
Government securities (including Dead Weight Annuities) ....	11,530,313	11,573,889	11,678,516	11,696,733
Other securities .....	17,755,796	19,020,343	19,535,196	19,575,143
Notes.....	5,553,525	5,516,910	5,370,580	5,532,260
Gold and silver coin .....	711,010	705,075	687,451	723,040
	35,550,544	37,416,217	37,173,043	37,527,176

## The Exchanges.

	Feb. 13th.	Feb. 20th.	Feb. 27th.	March 6th.
Amsterdam, short ..	11 15	11 16	11 16	11 16
Ditto 3 months..	11 18½	11 18½	11 18½	11 18½
Rotterdam, ditto ..	11 18½	11 18½	11 18½	11 18½
Antwerp, ditto ..	25 37½	25 45	25 50	25 50
Brussels, ditto .....	25 37½	25 45	25 50	25 50
Hamburg, ditto....	13 7½	13 7½	13 8½	13 8
Paris, short .....	25 25	25 27½	25 27½	25 27½
Paris, 3 months .....	25 65	25 67½	25 70	25 67½
Marseilles, ditto .....	25 65	25 67½	25 70	25 67½
Frankfort, ditto .....	119½	119½	119½	119½
Vienna, ditto.....	10 31	10 30	10 29	10 29
Trieste, ditto.....	10 33	10 32	10 30	10 29
Petersburgh, ditto ..	37½	37½	37½	37½
Madrid, ditto .....	49½	49½	49½	49½
Cadix, ditto .....	49½	49½	49½	50
Leghorn, ditto .....	29 45	29 47½	29 45	29 45
Genoa, ditto.....	25 72½	25 75	25 75	25 72½
Naples, ditto.....	43½	43½	43½	43½
Palermo, ditto .....	120½	120½	120½	120
Messina, ditto .....	130	130	130	130½
Lisbon, ditto .....	51½	51½	51½	51½
Oporto, ditto .....	51½	51½	52	52½
Rio Janeiro 60 dys. 'dte	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£3 17 9	£3 17 9	£3 17 9	£3 17 9
(Standard) .....	0 0 0	0 0 0	0 0 0	0 0 0
Mexican Dollars .....	0 0 0	0 0 0	0 0 0	0 0 0
Silver in Bars (Stand.)..	0 5 1½	0 5 1½	0 5 1½	0 5 1½



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTES.

## PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 24.	Jan. 31.	Feb. 7.	Feb. 14.
	£	£	£	£	£
1 Andover Bank .....	17,751	11,312	10,605	11,447	11,650
2 Ashford Bank .....	11,849	12,638	10,814	11,319	10,464
3 Aylesbury Old Bank .....	48,461	32,346	30,859	29,968	28,915
4 Baldock and Biggleswade Bank ...	37,223	29,335	27,456	27,726	28,973
5 Barnstable Bank .....	17,182	10,328	10,006	9,007	8,729
6 Basingstoke and Odiham Bank ...	24,730	22,540	22,327	20,940	21,146
7 Bedford Bank .....	34,218	33,056	32,258	31,968	31,267
8 Bewdley Bank .....	18,597	10,458	10,734	10,596	10,186
9 Bicester and Oxfordshire Bank ...	27,090	12,895	13,704	12,887	12,827
10 Birmingham Bank—Attwoods & Co.	23,695	23,803	23,362	23,059	23,508
11 Birmingham and Warwickshire Bk.	18,132	9,749	9,113	8,862	8,728
12 Blandford Bank .....	9,723	7,820	7,783	7,541	7,533
13 Boston Bank—Garfit and Co. ....	75,069	70,900	67,947	66,100	56,093
14 Boston Bank—Gee and Co. ....	15,161	15,000	14,449	14,467	13,993
15 Bridgewater Bank .....	10,028	7,436	7,193	7,289	7,335
16 Bristol Bank .....	48,277	35,481	34,294	35,105	34,044
17 Broseley and Bridgenorth Bank ...	26,717	17,426	17,288	16,344	16,218
18 Buckingham Bank .....	29,557	21,887	23,391	21,937	21,511
19 Bury and Suffolk Bank .....	82,362	73,278	68,878	68,506	69,993
20 Banbury Bank .....	43,457	33,452	33,307	31,526	31,068
21 Banbury Old Bank .....	55,153	27,931	27,400	25,876	25,356
22 Bedfordshire Leighton Buzzard Bk.	36,829	33,377	34,173	34,672	34,169
23 Birmingham Bk.—Lloyds & Co. ...	38,816	32,355	30,365	30,267	29,928
24 Bradford Old Bank .....	12,676	11,858	11,230	10,435	9,793
25 Brecon Old Bank .....	68,271	58,455	54,385	56,600	59,346
26 Brighton Union Bank .....	33,794	21,598	20,734	21,104	20,806
27 Burlington and Driffield Bank .....	12,745	12,587	12,209	12,429	12,040
28 Bury St. Edmund's Bank .....	3,201	2,528	2,718	2,685	2,380
29 Cambridge Bk.—Mortlock & Co.	25,744	15,063	14,624	14,819	15,161
30 Cambridge and Cambridgeshire Bk.	49,916	47,875	48,336	46,440	45,691
31 Canterbury Bank .....	33,671	31,460	30,194	29,631	28,981
32 Carmarthen Bank .....	23,597	23,917	23,593	23,111	22,047
33 Chertsey Bank .....	3,436	2,720	2,913	3,157	3,056
34 Colchester Bank .....	25,082	17,430	17,161	16,921	17,063
35 Colchester and Essex Bank .....	48,704	36,043	36,121	35,410	34,575
36 Cornish Bank—Tweedy & Co. ...	49,869	46,225	23,775	43,648	42,696
37 Coventry Bank .....	12,045	7,735	8,120	7,633	7,736
38 City Bank, Exeter. ....	21,527	19,284	18,202	17,990	18,522
39 Craven Bank—Alcocks & Co. ...	77,154	68,574	69,500	69,475	70,641
40 Chepstow Old Bank .....	9,387	8,460	8,968	8,890	7,968
41 Derby Bank—Messrs. Evans .....	13,332	11,777	12,355	12,478	12,133
42 Derby Bank—Smith and Co. ....	41,304	35,136	33,529	33,750	34,545
43 Derby Old Bank .....	27,237	27,712	27,256	25,541	26,386
44 Devizes and Wiltshire Bank .....	20,674	8,097	8,523	8,385	8,121
45 Diss Bank .....	10,657	10,343	10,273	10,685	10,284
46 Doncaster Bank and Retford Bank	77,400	69,803	70,487	72,695	70,581
47 Darlington Bank ..	86,218	82,132	78,589	77,908	81,489
48 Devonport Bank .....	10,664	9,799	9,530	8,670	8,001
49 Dorchester Old Bank .....	48,807	48,339	49,139	49,174	47,406
50 East Cornwall Bk.—Robins & Co.	112,280	96,986	95,036	92,572	91,018
51 East Riding Bank—Bower & Co.	53,392	50,202	50,469	49,525	50,779
52 Essex Bk. & Bishops Stortford Bk.	69,637	45,253	44,549	45,537	45,588
53 Exeter Bank .....	37,894	27,579	25,439	23,598	24,093
54 Faringdon Bk. & Bk. of Wantage	8,977	7,900	7,515	7,730	7,585
55 Farnham Bank .....	14,202	12,422	12,044	11,859	11,655
56 Faversham Bank .....	6,681	5,927	6,000	6,277	5,805
57 Godalming Bank .....	6,322	4,190	4,431	4,593	4,675



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 24.	Jan. 31.	Feb. 7.	Feb. 14.
	£	£	£	£	£
58 Guildford Bank .....	14,524	13,190	13,492	13,479	13,389
59 Grantham Bank—Hardy and Co.	30,372	30,007	27,957	27,955	27,227
60 Hastings Old Bank .....	38,038	33,414	32,729	32,135	32,660
61 Hereford City and County Bank..	22,364	15,702	15,703	17,080	15,748
62 Hull & Kingston-upon-Hull Bank	19,979	18,816	19,642	18,782	19,941
63 Huntingdon Town & County Bank	56,591	53,083	50,548	50,376	50,512
64 Harwich Bank .....	5,778	5,788	5,680	5,035	4,985
65 Hertfordshire, Hitchin Bank .....	38,764	33,134	31,881	33,234	32,943
66 Hereford, Ross, & Archenfield Bk.	27,625	21,127	20,689	23,226	23,140
67 Ipswich Bank .....	21,901	22,524	22,619	22,368	18,815
68 Ipswich & Needham Market Bank	80,699	71,569	69,315	67,388	66,026
69 Kentish Bank—Mercer & Co. ...	19,895	15,885	14,355	12,690	13,169
70 Kington and Radnorshire Bank...	26,050	24,645	25,673	25,811	25,260
71 Knaresborough Old Bank .....	21,825	20,624	20,773	20,478	20,496
72 Kendal Bank .....	44,663	39,206	40,356	40,692	43,779
73 Kettering Bank .....	9,192	9,133	8,354	8,406	8,351
74 Lane End Staffordshire Bank ...	5,624	5,216	5,230	5,286	5,359
75 Leeds Bank .....	53,357	57,040	50,294	50,993	54,862
76 Leeds Union Bank .....	37,459	37,250	37,158	37,333	37,874
77 Leicester Bank .....	32,322	30,348	29,788	29,227	29,669
78 Lewes Old Bank .....	44,836	27,331	27,215	27,364	26,645
79 Lincoln Bank .....	100,342	92,039	89,887	85,429	82,541
80 Llandoverly Bank & Llandilo Bank	32,945	17,946	16,056	18,318	19,033
81 Loughborough Bank .....	7,359	7,005	7,190	7,437	7,449
82 Lymington Bank .....	5,038	3,776	3,845	4,328	3,739
83 Lynn Regis and Lincolnshire Bank	42,817	38,077	38,027	37,776	36,735
84 Lynn Regis and Norfolk Bank ...	13,917	12,149	12,086	12,405	11,914
85 Macclesfield Bank .....	15,760	14,953	15,140	15,472	14,390
86 Manningtree Bank .....	7,692	2,332	2,186	2,207	2,002
87 Merionethshire Bank .....	10,906	6,552	5,774	5,293	5,531
88 Miners' Bank .....	18,688	16,708	16,398	16,413	16,578
89 Monmouthshire Agricultural and Commercial Bank .....	29,335	25,036	22,710	24,195	26,999
90 Monmouth Old Bank .....	16,385	13,658	12,925	13,290	13,567
91 Newark Bank .....	28,788	25,468	26,010	25,429	24,543
92 Newark and Sleaford Bank .....	51,615	51,604	49,773	49,502	48,234
93 Newbury Bank .....	36,787	21,205	20,405	20,471	20,397
94 Newmarket Bank .....	23,098	20,919	20,572	19,608	19,845
95 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	48,531	48,230	47,504	47,372
96 Norwich and Norfolk Bank .....	99,665	102,652	99,669	99,135	98,742
97 Nottingham, Nottinghamshire ...	10,866	10,634	10,086	10,095	9,864
98 Nuneaton Bank .....	5,898	3,481	3,390	3,245	3,175
99 Naval Bank, Plymouth .....	27,321	20,594	20,376	19,871	18,428
100 New Sarum Bk.—Everett & Smith	15,659	8,936	9,011	8,814	8,387
101 Nottingham Bank .....	31,047	32,911	32,533	28,773	27,430
102 Oswestry Bank .....	18,471	10,252	10,043	9,653	9,678
103 Oxford Old Bank .....	34,391	30,529	32,533	34,549	33,163
104 Old Bank, Tonbridge .....	13,183	9,461	8,475	9,031	8,290
105 Oxfordshire Witney Bank .....	11,852	10,263	9,760	9,735	10,025
106 Pease's Old Bank, Hull .....	48,807	46,973	46,545	46,765	46,869
107 Penzance Bank .....	11,405	10,272	9,974	10,125	10,210
108 Peterborough Bank—Yorke & Co.	12,545	9,854	9,501	8,961	9,004
109 Pembrokehire Bank .....	12,910	12,280	11,557	11,661	12,048
110 Reading Bank—Simmonds & Co.	37,519	30,361	29,673	29,838	28,475
111 Reading Bk.—Stephens & Blandy	43,271	30,347	31,524	31,809	31,056
112 Richmond Bank, Richmond .....	6,889	6,388	6,191	5,889	6,146
113 Rochdale Bank .....	5,590	4,306	4,173	3,980	3,748
114 Rochester, Chatham, & Strood Bk.	10,480	7,715	7,949	7,671	7,071
115 Royston Bank .....	16,393	14,819	14,595	14,514	14,330
116 Rugby Bank .....	17,250	9,516	9,210	9,036	9,222



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 24.	Jan. 31.	Feb. 7.	Feb. 14.
	£	£	£	£	£
117 Rye Bank.....	29,864	13,900	13,415	13,043	13,145
118 Ross Old Bank, Herefordshire ...	4,420	4,430	3,745	4,226	4,137
119 Saffron Walden & North Essex Bk.	47,646	32,196	32,649	32,032	31,937
120 Salop Bank .....	22,338	14,585	14,290	14,575	14,510
121 Scarborough Old Bank .....	24,813	24,427	24,295	24,068	24,055
122 Shrewsbury Old Bank.....	43,191	37,721	36,221	36,079	38,369
123 Sittingbourne and Milton Bank...	4,789	3,021	2,825	2,571	2,345
124 Southampton Town & County Bk.	18,589	12,741	12,258	12,170	11,250
125 Southwell Bank .....	14,744	12,300	12,089	12,379	12,151
126 Southampton and Hampshire Bk.	6,770	3,346	3,472	3,256	3,109
127 Stone Bank .....	9,154	340	340	340	340
128 Stafford Old Bank .....	14,166	12,539	12,704	12,654	12,764
129 Stamford and Rutland Bank .....	31,858	30,163	28,457	26,570	26,744
130 Shrewsbury and Welsh Pool Bank	25,336	23,973	22,918	22,150	21,440
131 Taunton Bank .....	29,799	24,488	23,676	23,306	22,750
132 Tavistock Bank .....	13,421	8,182	7,517	7,652	8,370
133 Thornbury Bank.....	10,026	9,103	8,710	8,623	8,390
134 Tiverton and Devonshire Bank...	13,470	11,615	11,109	10,532	10,579
135 Thrapstone and Kettering Bank...	11,559	11,146	11,457	11,524	11,175
136 Tring Bank and Chesham Bank..	13,531	13,644	13,302	12,721	13,541
137 Towcester Old Bank .....	10,801	8,225	7,897	7,570	7,327
138 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	10,852	10,648	10,447	10,782
139 Union Bank, Cornwall .....	17,003	14,323	14,800	15,153	14,944
140 Uxbridge Old Bank .....	25,136	14,657	13,795	13,495	12,860
141 Wallingford Bank .....	17,064	8,085	8,201	7,756	7,689
142 Warwick and Warwickshire Bank	30,504	25,317	24,712	24,130	24,879
143 Wellington Bank, Somerset .....	6,528	3,503	3,196	2,975	2,822
144 West Riding Bank .....	46,158	46,294	44,557	44,216	45,039
145 Whitby Old Bank .....	14,258	14,125	14,589	13,613	13,387
146 Winchester, Alresford & Alton Bk.	25,892	19,539	18,349	18,009	18,051
147 Weymouth Old Bank .....	16,461	17,171	16,490	16,200	15,479
148 Wirksworth and Derbyshire Bk.	37,602	36,638	36,819	35,229	35,533
149 Wisbeach and Lincolnshire Bank	59,713	53,677	52,566	50,819	50,540
150 Wiveliscombe Bank.....	7,602	6,281	5,901	5,451	5,415
151 Wolverhampton Bk.—Goodricke	14,180	10,440	10,758	10,405	10,635
152 Worcester Bank .....	15,463	5,324	5,145	5,135	5,010
153 Worcester Old Bank .....	87,448	61,939	65,620	65,856	66,035
154 Wolverham. Bk.—R. & W. Fryer	11,867	11,805	11,612	10,515	11,351
155 Yarmouth and Suffolk Bank .....	53,060	49,517	48,046	46,193	44,427
156 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,788	12,926	12,735	13,054
157 York Bank .....	46,387	47,757	46,846	44,621	43,776

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	6,676	6,671	7,417	9,296
2 Barnsley Banking Company .....	9,563	9,025	9,003	9,033	8,670
3 Bradford Banking Company .....	49,292	48,899	49,370	47,594	47,726
4 Bilston District Banking Company	9,418	8,735	9,188	8,927	8,868
5 Bank of Whitehaven .....	32,681	30,654	30,465	30,065	30,111
6 Bradford Commercial Banking Co.	20,084	18,604	17,964	17,407	16,742
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	50,936	49,000	47,387	48,732



**WEEKLY RETURNS OF BANKS OF ISSUE.**

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Jan. 24.	Jan. 31.	Feb. 7.	Feb. 14.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	9,746	9,791	10,117	9,541
9 Cumberland Union Banking Co. ...	35,395	32,240	33,450	34,885	36,312
10 Coventry and Warwickshire Bk. Co.	28,734	27,960	27,757	25,428	24,038
11 Coventry Union Banking Company	16,251	16,100	14,101	14,505	14,219
12 County of Gloucester Banking Co.	144,352	117,104	116,261	114,730	116,643
13 Carlisle & Cumberland Banking Co.	25,610	24,316	25,035	24,342	22,945
14 Carlisle City and District Bank ...	19,972	20,648	20,166	19,122	18,469
15 Dudley & West Bromwich Bk. Co.	37,696	40,764	39,387	35,822	34,275
16 Derby and Derbyshire Banking Co.	20,093	20,255	19,098	20,110	18,947
17 Darlington Dist. Joint Stock Bk. Co.	26,134	22,239	21,321	20,557	22,831
18 East of England Bank .....	25,025	23,315	23,857	24,278	24,144
19 Gloucestershire Banking Company	155,920	149,037	147,966	144,584	145,340
20 Halifax Joint Stock Bank .....	18,534	19,088	19,136	18,595	16,745
21 Huddersfield Banking Company ...	37,354	39,670	37,073	34,370	35,450
22 Hull Banking Company .....	29,333	28,732	26,426	24,497	24,695
23 Halifax Commercial Banking Co.	13,733	14,671	13,829	12,716	12,793
24 Halifax & Huddersfield Union Bk.	44,137	46,391	42,126	39,311	42,267
25 Helston Banking Company .....	1,503	1,494	1,502	1,500	1,415
26 Herefordshire Banking Company.	25,047	19,715	19,889	22,422	21,656
27 Knareborough and Claro Bk. Co.	28,059	25,214	25,250	25,597	24,900
28 Kingsbridge Joint Stock Bank ....	3,952	3,590	3,009	2,812	2,591
29 Lancaster Banking Company .....	64,311	58,768	58,332	61,199	66,658
30 Leeds Banking Company .....	23,076	22,613	23,071	23,353	23,065
31 Leicestershire Banking Company...	86,060	74,070	72,933	70,397	68,267
32 Lincoln and Lindsey Banking Co.	51,620	52,060	50,626	48,335	45,909
33 Leamington Priors and Warwick- shire Bank .....	13,875	11,138	10,602	10,815	10,184
34 Ludlow and Tenbury Bank .....	10,215	10,560	9,825	9,879	10,181
35 Moore & Robinson's Notts. Bank...	35,813	33,947	35,879	36,077	33,962
36 Nottingham and Notts. Banking Co.	29,477	28,630	27,370	27,345	26,947
37 National Provincial Bk. of England	442,371	440,098	424,591	416,909	413,085
38 North Wilts Banking Company ...	63,939	39,574	40,077	40,015	40,817
39 Northamptonshire Union Bank ...	84,356	82,190	81,407	78,224	76,260
40 Northamptonshire Banking Co. ...	26,401	21,415	20,073	19,235	19,259
41 North and South Wales Bank .....	63,951	52,324	51,345	47,928	47,553
42 Pare's Leicestershire Banking Co.	59,300	52,725	52,703	51,529	49,395
43 Saddleworth Banking Company ...	8,122	2,000	2,215	2,435	2,431
44 Sheffield Banking Company .....	35,843	35,285	35,808	35,921	35,479
45 Stamford, Spalding & Boston Bk. Co.	55,721	50,746	49,605	47,521	48,659
46 Stuckey's Banking Company .....	356,976	355,305	352,200	353,591	350,280
47 Shropshire Banking Company .....	47,951	42,306	43,982	43,678	44,417
48 Stourbridge and Kidderminster Bk.	56,830	59,818	57,091	56,033	55,396
49 Sheffield and Hallamshire Bank ...	23,524	23,705	23,314	22,274	23,645
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	51,946	52,401	52,008	52,403
51 Swaledale and Wensleydale Bank...	54,372	48,731	47,805	46,875	47,734
52 Wolverhampton & Staffordsh. Bk.	35,378	33,368	31,108	34,084	36,163
53 Wakefield and Barnsley Union Bk.	14,604	14,194	13,628	13,313	13,268
54 Whitehaven Joint Stock Bank ...	31,916	27,215	26,929	27,790	28,793
55 Warwick and Leamington Bk. Co.	37,124	28,524	28,262	28,940	28,644
56 West of England and South Wales District Bank .....	83,535	72,331	70,321	71,367	75,443
57 Wilts & Dorset Banking Company	76,162	71,143	71,562	74,071	77,380
58 West Riding Union Banking Co....	34,029	32,310	29,942	29,735	31,653
59 Whitechurch and Ellesmere Bk. Co.	7,475	6,035	5,508	4,871	4,634
50 Worcester City and County Bk. Co.	6,848	5,855	6,269	6,535	5,815
51 York Union Banking Company ...	71,240	67,846	67,415	66,496	67,644
62 York City and County Banking Co.	94,695	92,093	92,923	87,478	86,728
63 Yorkshire Banking Company .....	122,532	125,372	120,603	116,714	120,222



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	Jan. 24.	Jan. 31.	Feb. 7.	Feb. 14.
158 Private Banks.....	£4,513,092	£3,777,808	£3,698,138	£3,656,653	£3,639,500
63 Joint-Stock Banks..	3,303,357	3,101,148	3,042,816	3,000,800	3,003,734
<b>221 Totals .....</b>	<b>7,816,449</b>	<b>6,878,956</b>	<b>6,740,954</b>	<b>6,657,453</b>	<b>6,643,234</b>

*Average Weekly Circulation of these Banks for the month ending February 14th:—*

Private Banks .....	£3,693,025
Joint-Stock Banks .....	3,037,124

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above £6,730,149*

On a comparison of the above with the Returns for the month ending 17th January last, it shows:—

A decrease in the notes of Private Banks, of .....	£34,448
A decrease in the notes of Joint-Stock Banks, of .....	13,893
<b>Total decrease on the month.....</b>	<b>£48,341</b>

And, as compared with the month ending February 16th, 1856, it shows—

A decrease in the notes of Private Banks, of .....	£105,621
An increase in the notes of Joint-Stock Banks, of .....	56,520

*Total decrease, as compared with the same period of last year .....* £49,001

The following is the comparative state of the circulation, as regards the fixed issues—

The Private Banks are below their fixed issues.....	£820,067
The Joint-Stock Banks are below their fixed issues.....	266,233
<b>Total below the fixed issues .....</b>	<b>£1,086,300</b>

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 14th day of February, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland.....	3,738,428	2,093,425	1,491,575	3,585,000	818,372
Provincial Bank of Ireland	927,667	432,884	694,474	1,127,358	460,898
Belfast Bank .....	281,611	84,350	410,095	494,445	332,040
Northern Bank .....	243,440	46,398	258,491	304,890	134,271
Ulster Bank .....	311,079	72,631	438,999	511,630	242,869
National Bank of Ireland...	852,269	579,680	650,902	1,230,582	721,996
<b>TOTALS (Irish Banks) ...</b>	<b>6,354,494</b>	<b>3,309,368</b>	<b>3,944,536</b>	<b>7,253,905</b>	<b>2,711,446</b>

### SCOTCH BANKS.

Bank of Scotland .....	300,485	122,100	253,816	375,916	165,758
Royal Bank of Scotland ...	183,000	85,711	148,031	233,742	119,033
British Linen Company .....	438,024	168,000	295,101	463,101	162,833
Commercial Bk. of Scotland	374,880	152,185	291,970	444,155	156,686
National Bank of Scotland..	297,024	110,996	212,723	323,719	86,638
Union Bank of Scotland and Banking Com. in Aberdeen	415,690	182,884	336,818	519,702	171,117
Edinburgh & Glasgow Bk...	136,657	57,826	87,873	145,699	49,852
Aberdeen Town and Co. Bk.	70,133	40,867	69,097	109,964	47,322
North of Scotland Bk. Co...	154,319	96,316	97,264	193,581	72,008
Dundee Banking Company	33,451	13,610	24,227	37,837	18,448
Eastern Bank of Scotland...	33,636	16,322	24,455	40,777	15,119
Western Bank of Scotland..	337,938	129,955	322,054	452,009	211,023
Clydesdale Banking Co. ...	104,028	50,395	101,457	151,852	86,065
City of Glasgow Bank .....	72,921	129,297	172,170	301,468	281,134
Caledonian Banking Co. ...	53,434	21,198	41,842	63,040	23,140
Perth Banking Company ...	38,656	15,382	32,388	47,771	28,937
Central Bank of Scotland...	42,933	19,556	33,921	53,477	27,290
<b>TOTALS (Scotch Banks)...</b>	<b>3,087,209</b>	<b>1,412,600</b>	<b>2,545,207</b>	<b>3,957,810</b>	<b>1,722,403</b>



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO FEBRUARY 14, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 14th February, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks .. £7,253,005  
Average Circulation of the Scotch Banks 3,957,810

Total Average Circulation of these Banks for the past month ..... £11,211,715

On comparing these amounts with the Returns for the month ending 17th January last, they show—

Increase in the Circulation of Irish Banks £85,399  
Decrease in the Circulation of Scotch Banks 167,368

Total decrease on the month ..... £82,070

And, as compared with the month ending February 16th, 1856, they show—

Increase in the Circulation of Irish Banks £401,365  
Increase in the Circulation of Scotch Banks 327

Total increase on the year ..... £401,592

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows :—

6 Banks in Ireland, allowed to issue... £6,354,494  
18 Banks in Scotland, allowed to issue .. 3,957,309

24 Banks in all, allowed to issue ..... £9,441,793

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are above their fixed issue .. £899,411  
Scotch Banks are above their fixed issue 879,601

Total above the fixed issue ..... £1,779,012

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows :—

Gold and Silver held by the Irish Banks £2,711,446  
Gold and Silver held by the Scotch Banks 1,722,403

Total of Gold and Silver Coin ..... £4,433,849

Being a decrease of £71,850 on the part of the Irish Banks and a decrease of £92,850 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO FEBRUARY 14, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 14th February, 1857 :—

Circulation of Notes for the Month ending 14th February, as compared with the previous month :—

	Jan. 17.	Feb. 14.	Increase.	Decrease.
Bank of England .....	£19,193,100	£18,963,305	—	£209,695
Private Banks .....	3,727,473	3,698,625	—	34,448
Joint-Stock Banks .....	3,956,947	3,937,124	—	13,623
Total in England .....	25,071,620	25,713,854	—	258,166
Scotland .....	4,125,178	3,957,810	—	167,368
Ireland .....	7,168,607	7,358,905	£189,398	—
United Kingdom .....	£27,365,305	£26,925,069	£440,236	£425,534

The comparison of the month ending February 16th, 1856, with the month ending February 14th, 1857, shows a decrease in the Bank of England circulation of £3,516, a decrease in Private Banks of £105,521, and an increase in Joint-Stock Banks of £56,520; being a total decrease in England of £52,517; while in Scotland there is an increase of £327; and in Ireland an increase of £401,265. Thus showing that the month ending 14th February, as compared with the same period last year, presents a decrease of £52,517 in England, and an increase of £349,075 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending February 14th, gives an aggregate amount in both departments of £10,123,791. On a comparison of this with the Return for the month ending January 17th, there appears to be a decrease of £52,236; and a decrease of £425,757 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 14th February, was £4,333,849; being a decrease of £163,700 as compared with the return of the previous month, and an increase of £383,272 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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MAY, 1857.

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## THE AGE OF APPEARANCE.

CERTAINLY, at no former period of the history of this country has so much importance been attached to show, and consequently so little comparatively to substance, as at the present time. If in private life a man live in a mansion, maintain a large establishment—servants—an equipage, and all the other outward appearances of wealth, few people care much to inquire whether or not he possesses the reality—credit, almost without limit, is at his command, and without question. He may, if so disposed, make that credit which the gullibility of mankind and the competition of trade offer to him, the means of extending his operations to any amount—realising the superfluities furnished to him on such easy terms by the too credulous tradesman, to meet the demands of those who have sense enough to prefer cash in hand for their goods to a long list of names on the debtor side of their ledger with heavy sums set against them, uncertain whether those names represent persons of means sufficient to cause at the proper time the transfer of the debit figures to the other side of the page. A passable address—an adequate stock of cool assurance—a tolerable knowledge of figures—and an aptitude for ringing the changes in matters of finance—are all that is necessary. With these a man may start as a millionaire, and for a time vie with the wealthiest in expenditure, and possibly,—though happily, for the sake of morality, this is the very rare exception—by some grand coup, in the end establish himself in the position he has been assuming. This is the goal which the class of adventurers alluded to have probably always in view when they enter upon their career; but how few of them ever reach it! We have all of us, within our respective circles of acquaintance, come in contact with our



Redpaths and our Robsons—men perhaps not so thoroughly steeped in crime, and yet who might have wanted more of the opportunity than the inclination; but whom we have seen spring up into sudden grandeur, mixing with the highest and the richest of the land, and holding appearances as their equals, until as suddenly the crash has followed, and the brilliant light by which, for the moment, our eyes had been dazzled and our senses amazed, vanished, leaving nothing but the charred stick which nobody recognises, or which, if recognised, is only to point the moral, by contrasting what it is with what it was and what it might have been.

In all our social relations, this preference for show over substance seems to prevail. In commercial affairs it has of late years obtained largely, and is daily gathering strength. Until a comparatively recent date, puffing, as the rule of trade, was confined to the retail shopkeeper. The banker, the merchant, the wholesale dealer, and the joint-stock company, avoided it as disreputable—though not perhaps actually dishonest, as something from which the profit to be derived was questionable, while the discredit attending it was certain. Now, puffing in some shape or other is considered indispensable to success. The forms which modern puffery takes are infinite—"Fabulous prices"—"Enormous profits"—"Wondrous prosperity"—"Low discounts"—"High interest," and "Super-human safety,"—according as the unsuspecting customer is to be attracted, or the unwearied capitalist to be inveigled, are the baits held forth. But of all the extensive variety of feature in which it presents itself, that of the enormously large establishments seems to be the most popular.

Formerly, when any number of persons united their capital to start a bank, or any other mercantile concern, however sanguine their hopes, and however promising their expectations of support, they were content in the first instance with that amount of business accommodation which was equal to the convenient transaction of the extent of business that for the first few years, at least, was likely to flow to them. Jones Loyd's, Glyn's, Mastermann's, Prescott's, and other large banking establishments, which, founded in the days of our forefathers, have gone on in a continuous course of prudent and prosperous trading ever since—weathering every storm, and gaining from each successive trial additional firmness—did not begin by sinking £10,000, £20,000, or £50,000 in erecting civic palaces, which, however meritorious as specimens of the architectural art, are altogether out of proportion to the immediate purposes for which they are destined. The old Life and Fire Assurance offices, and other associations



for prosecuting mercantile enterprise, which have since attained the largest amount of public confidence and permanent success, proceeded at the onset in a similar manner. They provided themselves with offices containing every convenience for the trade they were about to enter upon, ample accommodation for the managers, clerks, and working staff—but nothing more. There was no straining after effect, no attempt to supplement legitimate means of enlisting confidence and soliciting business by the pretence of superfluous wealth, and the standing advertisements of a Brobdingnagian establishment, to carry out transactions that might be meted by Lilliputian measures. Many of these old-established and prosperous co-partneries still carry on their business in the same premises in which they began, but altered and enlarged from time to time, to comply with the imperative demands of an expanded trade. In some instances, where the requirements had far outgrown the capabilities of the old offices—as Glyn's, Hoare's, and several others of the private banking-houses, and the Equitable, the Atlas, and Sun amongst the Insurance associations—the old inadequate structures have been pulled down, and large commodious buildings, of noble elevation and replete with all the requirements for present and future business, substituted. But this was not done until ample provision out of surplus profits had been made, to cover the outlay, nor, in most cases, until it was found that further delay would occasion a sacrifice, by imposing an artificial limit to the expanding connexion and the increasing gains. This, too, was the course adopted by the first-born of our metropolitan Joint Stock Banks: the classic front of the London and Westminster's chief offices in Lothbury was not reared until the business of the institution was firmly established, and the remuneration to the shareholders for the capital they had invested had ceased to be a question of speculation. And when the expense was incurred, an annual sum was set aside, out of a revenue which might almost be said to have arrived at certainty as to its minimum, to meet it.

But the modern school of mercantile enterprise pursues the direct contrary course. Its precept is not "walk before you run," but "run first, and if compelled thereto, walk afterwards." Upon the principle, probably, of *facilis descensus*, it starts from the highest point, that the fall, if it is to be, may be the more rapid, certain, and easy. It begins with the palatial offices, the lofty and luxuriously appointed managerial apartments, the expensive furniture, the large staff of clerks, the liveried porters, and all the outward signs of enormous business, high profits, and accumulated wealth, leaving the connexion from



which the business and the profit are to arise to come afterwards as it may. That the elegant and substantial structures which have recently sprung up in Cannon-street, Threadneedle-street, and some other parts of the City, are an improvement upon things as they were, not even the most obstinate "conservative" would attempt to deny. No one who knew London twenty, ten, or even five years ago, would desire again to see the old shaky, dilapidated, ill-designed barbarities in which the everyday commercial operations of the commercial metropolis of the world were cabined, cribbed and confined. The new thoroughfares which have been opened up lately in the busiest part of London, and the magnificent buildings that adorn them, are worthy of this great city, and of the age. But that is no reason why unscrupulous, needy, or ignorant projectors of newly hatched joint-stock trading companies should be encouraged to spend the capital entrusted to them in the erection or the renting of these edifices for the purposes which can by no means commensurate either with the outlay incurred, or the vastness of the accommodation afforded. When we see one of these immense stone buildings designed on the model of a Florentine or Venetian Palace, paraded as the offices of the Portsoken Bank—the Fundy Island Agricultural Company, or the Baffin's Bay Mining Association, we are irresistibly reminded of the fate of the present proprietors of those aristocratic mansions, which, erected in a more artistic age, have furnished the best examples for the present, but which are now let out in cheap lodgings, while the descendants of princes, who inherit and inhabit them, wait on the lodgers and retail on a small scale sardines, olive oil, and macaroni. That this new mode of applying the puff indirect is more expensive than the old plan of trusting to advertisements, and specious reports, there can be no doubt—whether it is more effectual, time only will show.

In many of the recently formed companies, the management charges may, and probably will, form so serious an item in the revenue account as for some years to determine the question of profit or loss. In business, as in private life, the matter of rent—and capital expended in building is rent only in another form—in no inconsiderable degree regulates the general expenditure. A large house, whether for business or residence, necessitates a corresponding establishment; and in mercantile affairs, a large and costly establishment, with a limited and struggling business, is certain and speedy ruin. This is a matter which the shareholders in the legion of projects that have been set on foot, or are about being formed, under the Limited Liability Act, will do well to bear in mind. The new Joint Stock Banks, and, perhaps,



most of the other speculative companies which have thus, as it appears to those who believe that prudence is essential to the attainment of permanent prosperity in all things, but in trade most especially, began at the wrong end, profess to have made provision for the general liquidation of these extraordinary charges by spreading them over a number of future years, and they argue that in this, they are following the plan adopted by the London and Westminster and similar old-established and safe-going institutions, by placing the liability upon profits; but the broad distinction is that in the one case profits are secured by the presence and certainty of business, while in the other the business itself is prospective, and depends possibly in no slight degree upon the success of this novel but hazardous and expensive mode of inviting it.

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#### BANKS AND BANKING IN GERMANY.

THE most ancient, as still also the most accredited of the German banks, is the Bank of Hamburg, a public or state institution. It was founded in 1619, ten years later than that of Amsterdam, and in a great measure upon the same basis. It is simply and exclusively a bank of deposit. Its original object was the establishment of a greater unity or uniformity in the circulation of general coin values, often much deteriorated by wear, or depreciated by undue admixture of baser metals; but it was found too difficult, after persevering trials, to bring such a chaos of money signs, often tokens only, into any regularity of classification according to intrinsic worth and real exchangeable values. A last attempt was made by the formation of two distinct departments in the bank, one for the deposit of specie, the other for bars or ingots. Even this was found to be an inconvenient complication, and so, from 1790, silver in the shape of bars or ingots only was accepted as an invariable basis for the issue of certificates of deposit. It does not appear that even in these days of Californian and Australian golden showers upon Europe any change has been made, and that gold has been admitted to the honours or advantages of deposit as a recognised certificated value. The bank, from its origin, has pursued its quiet course, and fulfilled its allotted functions undisturbed and unsignalised by any sinister occurrence, save once. In 1813, after the disasters of the Moscow campaign, Davoust, Prince of Eckmühl, one of Napoleon's famous marshals and robbers as well, then in command at Hamburg, took possession and appro-



priated the treasure of the bank, not probably of any vast amount in those days of war and confusion. Restitution was, however, subsequently enforced as one of the conditions of the treaties of Paris in 1815. In the absence of reliable or accurate information, it was estimated some years ago that the bank held on an average about £4,000,000 of deposits in silver bullion, or an amount fluctuating between three and five millions. These amounts would of course vary with the greater or less activity of the commercial movement, generally on an ascending scale, and the relative abundance or scarcity of capital. Since the period referred to, ten years ago, the trade and shipping movement of the great Hanseatic emporium cannot have been accelerated less than 25 per cent., and it may be assumed that bank deposit business will not have advanced in a less proportion. Commercial transactions are carried on by cheques or orders on the bank, which are simply transferred from the account of the drawer to that of the receiver, unless in the case of the hard money being required, which the latter would draw by another cheque. As the bank neither discounts nor makes advances on securities, there are, therefore, so many millions of hard money withheld from active and profitable circulation; that is, such a proportion of the deposits as upon banking calculations and experience might be advantageously put out to usance without risk of loss, or any conceivable hazard to banking solvency which interest and discount profits would not cover ten times over. The Bank of Hamburg and its deposits have the guarantee of the little but wealthy state. Its charges are covered, with a contribution to state revenue besides, by a moderate levy upon all depositors or parties having accounts with it.

The bank of Vienna dates from 1703; it was then a bank of deposit mainly, allowing 4 per cent. interest, but also with power of issuing notes, then of little avail. It was a state instrument merely for effecting loans. In the wars of the first French revolution, more than three-fourths of a century afterwards, its issues, however—its forced issues in fact—ascended to 1 milliard (60 millions of florins), say at 2s. the florin *convention* money, 106 millions sterling. This inordinate mass of inconvertible paper money fell, of course, to one-twelfth of its nominal value. The government bought it up, or rather compromised it with another paper issue, at the rate of one-fifth the nominal value of the old currency, which soon descended to two-fifths of its nominal rating.

In 1816, the bank was refounded, newly modelled, with a share capital of 100 millions of florins, in shares of 1,000 florins each, each share payable in 100 florins silver, and 900 in old paper



money of 40 per cent. less than its nominal value, so that, in effect, each 1,000 florins share cost or was represented by a real value of 460 florins only. It would be idle, with our limited space, to attempt to follow the history of this new edition of the old bank, although with all its annals before us, official, semi-official and of impartial origin. Suffice it to say that in the revolutionary period of 1848-9, it rendered incalculable service to the state, when all Austria, Bohemia, Hungary and Lombardy were in insurrection, and the empire existed only in name. But it was at the cost of its own, just falling short of irredeemable ruin. Unnecessary to track its course, all that remains to say is, that it has two departments of issue; one for state notes, representing state obligations; the other for general purposes, advances upon securities and currency. Herr Horn last year estimated the state note circulation at only 1,542,880 florins, which must be a mistake, the general issue, irrespective of that, being nearly 906 millions. It is difficult to reconcile these figures, of reputed authority as they are, with those cited as of from documents by M. Seneuil, in 1852, when the total circulation, as appears but not discriminated, was stated, for 1851, at a trifle less than 151 millions of florins, state and commerce entering, in the aggregate discounts and accommodation, for rather more than 106½ millions. It is not necessary to reproduce the tables here. There can be no question, however, that under the able administration of Baron de Bruck, both state and bank-note currency has been systematically diminished and extinguished year by year, and it is now stated, with something like authority, that the Austrian treasury has been preparing, and will be ready at the close of this year to meet and then restore the convertibility of Vienna bank paper on demand.

In 1852, M. Seneuil acquaints us, there were only ten banks of circulation in all Germany, apart the land banks. These were the banks of Berlin, Pomerania, Breslau, Dessau (territorial), Leipzig, Lubeck, Rostock, Austria, and Bavaria (mortgage and commercial bank). The respective circulations of paper money, discounts, and advances to governments, irrespective of loans, then stood thus, with capital amounts and specie in hand:—

	Circulation.	Discounts and Advances.	Capital.	Specie.
State Bank of Berlin ...	21,000,000 ...	17,514,752 ...	11,494,000 ...	23,104,279 thalers, at 1s. 8d.
Cassensvereine of ditto	1,000,000 ...	943,503 ...	1,000,000 ...	1,621,804 " "
Pomerania .....	1,000,000 ...	1,038,109 ...	1,584,500 ...	483,311 " "
Breslau City Bank.....	810,000 ...	666,633 ...	1,000,000 ...	333,607 " "
Dessau (territorial) ....	2,500,000 ...	57,883 ...	1,500,000 ...	705,369 " "
Leipzig .....	7,600,000 ...	209,841 ...	1,500,000 ...	3,880,323 " "
Lubeck .....	330,000 ...	nil ...	25,000 ...	65,730 " "
Rostock.....	500,000 ...	98,365 ...	500,000 ...	117,099 " "
Austria .....	150,945,563 ...	106,023,769 ...	21,260,330 ...	29,979,360 " at 2s. 3d.



It will readily be seen that the banks cited act upon varying principles and practice, which it would require a whole number of the *Magazine* to discriminate and explain. Somewhere about 1854, a city bank, for and in Frankfort-on-the-Maine, was established, with a capital of ten millions of florins (the Prussian thaler, at 1s. 8d.), but of the extent of its operations nothing has yet transpired. In 1848 or 1849 a joint-stock bank at Hesse Darmstadt was projected and carried into effect, with special privileges from the Sovereign Grand Duke. It was founded by the Baron de Haber, a merchant banker and man of ability, who had already established a business connection beyond his own means of capital, for carrying it on. But for the restrictive nature of the privileges enjoyed and vigorously enforced, its natural, as its projected seat, would have been at Frankfort, but this the governing senate of the imperio-republican city, in the exercise of its absolute authority, refused a license for. As, however, Darmstadt is only between seventeen and eighteen miles distant, the bank having its representative agency in Frankfort, might have carried on a successful banking business in that great money market but for the opposition, as said, of the great houses of the Rothschilds, Bethmans, &c., who declined to acknowledge either its notes or other paper obligations. Thereupon it stopped payment, although solvent. Patronised, in 1853, by the Messrs. Pereire, of the great Société Générale de Crédit Mobilier at Paris, it has recommenced business with a capital of twenty-five millions of florins, represented by 100,000 shares of 250 florins each, now, we believe, all paid up; say, in sterling, a capital of some two millions.

Thus stood purely banks and banking affairs in Germany until 1855, when the *Bankfieber*, as the German press has it, or banco-mania as we should say, set in, originated and fomented from that modern hive of scheming, the Paris Bourse. As in France, so in Germany, such a class as private bankers dealing exclusively in money discounts and deposits had no existence. Capitalists there were, such as the Sinas, of Vienna, the Rothschilds, of Frankfort, and the Solomon Heines, of Hamburg, and in plenty, who dealt in loans, state and private discounts, honoured letters of credit, traded in produce, in railroads, and multifarious other speculations where money was fairly and honourably to be made, but bankers, as such, there were none, and therefore comes the distinction properly drawn, although not exactly defined, by which in exchange parlance they are designated as "foreign bankers." So far as banking, indeed, in that sense, every hotel keeper in the great cities of Germany, such as Frankfort, Aix la Chapelle, Mayence, Hamburg, Vienna, &c., is a banker,



who exchanges your foreign moneys, takes particular care of the *agios*, is well versed in the mysteries of exchange, and if he knew you or your connections, has no objection to cash a bill, more especially if you are a *Milord Anglais* on his travels, who enjoys much more credit abroad than he finds at home on the Royal Exchange. The same may be said of money changers, head railroad officials, and steamboat agents, as practically we have found when armed with a certificate of character and credit always honoured from our friends of the several London banks.

But 1855-56 introduces us to a more organised system of banking, not still in the sober English method, but approximating to it theoretically—practically leading to, as perhaps in origin designed for, monetary establishments in aid of a grand European combination for the concentration of capital and credit for every conceivable purpose of sharing public and illicit private gain, whose central dominating seat shall be at Paris, the very classic domain of *chevaliers d'industrie*, of the thousands who would live superbly in idleness at the cost of all the world, but who to work practically “are ashamed.” Frugal, simple, hard-working Germans, since France has been inundated, is invaded by hordes of schemers from the far West. The crisis is near at hand, and the symptoms of money market derangements here and elsewhere are already observable, the consequences of which will be serious to those implicated. Anxious as many no doubt are to escape the responsibility which they have incurred, they will suffer, should the revulsion prove severe, and of its impending certainty there seems great apprehension. Without descending into the further particulars, about which much might be said, we proceed to recapitulate what Herr Horn has made public, of the progress of the *Bankfieber* in Germany, to the middle of the year 1856.

The state paper bank currencies, in that year of 1856, are put by Herr Horn at something more than 200,000,000 florins, at 1s. 8d. the florin, the amount for Austria being, we think, underrated.

Here follows the general circulation, or common commercial currency, according to the same authority:—

Bank of Prussia	...	...	...	78,750,000 florins.
Berlin Cassenverein	...	...	...	3,750,600 "
Bank Chevaliere, in Pomerania	...	...	...	3,750,000 "
Bank of Breslau	...	...	...	3,750,000 "
" of Cologne	...	...	...	3,750,000 "
Leipsig Bank	...	...	...	33,750,000 "
Chemnitz	...	...	...	1,125,000 "
Mortgage Bank, Oberlausitz	...	...	...	1,875,000 "
Railway, Dresden, Leipzig	...	...	...	1,815,000 "
Carried forward	...	...	...	132,315,600 "



Brought forward	...	...	132,315,800	"
Loan Bank, Hesse Electoral	...	...	187,500	"
" Weimar	...	...	18,750,000	"
" Dessau	...	...	15,000,000	"
Braunschweig [where is the place?]	...	...	11,250,000	"
Railway, Köthen, Borenbourg	...	...	2,625,000	"
" Tharingia	...	...	11,250,000	"
Discount Bank of Lubeck...	...	...	1 205,250	"
Mortgage Bank of Bavaria	...	...	17,142,860	"
" " for South Germany	...	...	85,714,288	"
" " National of Wisbaden	...	...	4,288,718	"
" " Hamburg...	...	...	6,428,570	"
" " Frankfort...	...	...	74,288,715	"
National Bank of Vienna...	...	...	905,877,370	"
Total, note circulation	...	...	<u>1,290,127,265</u>	"

Since Herr Horn has typed these figures, the paper circulation of Germany has, perhaps, doubled. Prussia has, at this moment of writing, proscribed, very properly, the credit circulation of any bank paper; but its own is prohibited. The crash seems to be inevitable. The land banks alone have securities in the markets, in addition, for over forty millions sterling.

#### LATE BANKING DISCLOSURES.

EACH succeeding phase of the Royal British Bank catastrophe, as developed in the proceedings before the bankrupt commissioners, educes facts so astounding, in connection with the conduct of men of position in society and of standing and credit in the commercial world, that were they incorporated in the pages of a modern French novel, we should probably, while admiring the fertility of invention which produced them, ridicule the idea that such things could occur. Indeed, the whole affair reads more like a series of chapters indited by that most prolific of romancists, Alexandre Dumas, than a truthful record of statements made upon oath in the course of a judicial investigation, before a court of justice. Unfortunately, there are other features in this picture of real life, in the commercial world of London in this nineteenth century, besides those which may conduce to our amusement. It is impossible to read the accounts which the morning newspapers present to us, day after day, of the examinations of governors, deputy governors, and managers in the primary case, and of more "British Bank victims," as the reporters appropriately designate them, in the innumerable subsidiary causes, in bankruptcy and insolvency, which have grown out of it, without feelings of abhorrence, of sympathy, of



alarm, and of humiliation. Indignation naturally arises when we read the cool, self-satisfied description which the chief actors in the swindle themselves give of the manner in which, from time to time, they conspired together to draw fresh victims within the meshes of their net, and to defraud the public. Our sympathies are excited when we hear of the undeserved sufferings which that conspiracy—unrecognised by the criminal law, but meriting exemplary punishment in a far greater degree than the crime of Paul, Strahan, and Bates—has entailed upon thousands of innocent persons who are involved in the sudden fall from competence to penury, from prosperous industry to irremediable and hopeless insolvency, to which so many of the unfortunate shareholders have been reduced. Alarm necessarily succeeds to these feelings, when we consider the disruption of public confidence in mercantile men and mercantile honour which must follow as a sequence from these scandalous disclosures; and a sentiment of humiliation succeeds, when we reflect that that high character for prudence, probity, and good management, which the banking fraternity of England has so long enjoyed, has been thus partially shaken.

If the British Bank stood alone, it might be regarded merely as one of those monstrosities which will occasionally arise in the social system, as in nature, and which, except in the way of warning, could scarcely be expected to be attended with any permanent influence on public opinion. But when we attempt to lay this “flattering unction” to our souls, our memories involuntarily recur to the Strand Bank and the Tipperary Bank; and if these are not sufficient to dispel the illusion, we have the still more recent and somewhat analogous example of the London and Eastern Banking Corporation, where strict principles of financial honour, and, in some instances, of common honesty, have been disregarded. However reluctantly, therefore, we are forced to the conclusion that the virus is more widely spread than our regard for the national reputation would otherwise induce us to admit. But, bad as are the other instances alluded to, the amount of moral turpitude they exhibit is insignificant when compared with the case of the Royal British. In the Strand and the Tipperary Banks, the criminality was confined to one, two, or three individuals; and resorted to, in the one case, under the influence of desperation, in the vain hope of propping up a concern, which, from all that has since transpired, seems to have failed from the weakness and indiscretion, rather than from the actual dishonesty, of the managing partners; and in the other, where the guilt was without palliation, the actual commission of the crime would appear to



have been confined to the one person who for the time benefited by it. Between the two cases, which are still before the public, though there are some features in common both in the offence and its consequences, there is yet a considerable difference in degree. In the London and Eastern Banking Corporation, as well as in the Royal British Bank, the managers and directors may be said to have sacrificed the interests of the shareholders, and misappropriated the money of their customers, to a desire to accommodate each other and each other's personal friends. They appear to have dissipated the capital intrusted to their charge in making mutual loans to themselves upon questionable securities, and occasionally without security at all. Here, however, except in regard to results, the similarity ceases. Up to the present time—what the future may bring forth, it is hard to predicate—we have, as yet, in the instance of the London and Eastern, none of those revelations replete with romantic incident and “startling effects” which the British Bank manager and directors have under compulsion disclosed. Those graphic descriptions of the secret proceedings of finance committee meetings—the cooking of accounts—the ingenious plottings and skilful contrivances to delude and mystify their shareholders and the public—the callous indifference to the ruin of families, and the consignment of widows and orphans to penury and want, which lurked under the specious reports and circulars wherein they invited their customers to be good enough to allow their deposits and cash balances to be transferred to the credit of the bank in return for shares in insolvency issued at a premium, and with the carefully concealed, but inevitable, condition of unlimited liability attached as a tail piece—these peculiarities, which those who have been the chief actors in them detail not only without shame or remorse, but with a *naiveté* that would almost lead to the supposition that in Tokenhouse Yard and at the South Sea House they were regarded as the ordinary and proper mode of carrying on banking business, places the Royal British far beyond every rival, and makes it stand out unique in the annals of banking delinquency.

With the evidence of the governor, the manager, and some one or two of the least culpable of the directors, the public are already familiar. Since the last issue of the *Bankers' Magazine*, we have had the disclosures of the deputy-manager, Mr. Stapleton, M.P. and if anything could now excite surprise in this surprising history, it is the apparent unconsciousness of wrong, and the utter insensibility to high moral principle, which obviously ruled in that gentleman's mind, when, in his replies to the questions put to him, he sought to defend the more than questionable



proceedings to which he had been a party. According to Mr. Stapleton's admission, it was the practice to prepare for the general meetings, whereat the directors met the shareholders to render a true account of the position of the bank, reports which would be agreeable, and balance-sheets which, under all circumstances, were to show a flourishing business, and that those documents teeming with the *suppressio veri*, and by implication with the *suggestio falsi*, were invariably supported by the *vivâ voce* testimony of the governor or his deputy. Yet, says the deputy governor, the shareholders must have been acquainted with the true state of the concern, and if they were not—though they had not access to the green book, the private ledger, or even the public ledger, but were compelled to take the printed accounts, which contained nothing about Humphrey Brown's bad debt, Mac Gregor's bad debt, Cameron's bad debt, the loss upon the Welsh mines, or any other loss, and wherein the whole of the long over-due and thoroughly valueless bills were set down as available assets—the fault was their own. "I should say," says this worthy exponent of the mercantile honour of Great Britain, "that every person of intelligence who attended the meeting [the general meeting of last year] knew the position of the bank as well as we did ourselves; for they had seen the attacks in the *Joint-Stock Journal*, and knew that we had not prosecuted." Mr. Stapleton, when he gave this answer, must have forgotten, or supposed the Court had forgotten, a reply he had given a short time before—that when a Mr. Harris, of Ipswich, who had read the attacks in question, called for explanations in reference to them, he was informed officially that "the scurrilous attacks emanated from a discarded *employé* of the bank, and were beneath the notice of men of business." Were it not for the admission that he has not had any very large amount of banking experience, the evidence of this gentleman, the son of a banker, and himself for some time the deputy governor of the bank, the evidence of the manner in which provision is made for bad debts would induce suspicion as to the safety of every banking establishment in the country. £393, he says, was set aside in February, 1856, as a provision for bad debts, the amount of which, he admits, must have been between £20,000 and £25,000, and with an ingenuity for splitting hairs which would be invaluable in a special pleader, he says, we called it a "provision," not a "sufficient provision." And then, speaking of the balance-sheet of 1856, he says, "The assets are there stated at £986,279;" but no one could believe that the whole, if realised, would yield 20s. in the pound.



All the shareholders must have supposed that there were securities of a doubtful character; they might have supposed there would be a loss; but they would not believe that debts were included in that amount which every body thought were hopelessly bad. No, the shareholders supposed, as every body else who read the report supposed, that the sum down as assets were really available as such, and realisable at something like their nominal value, not that they consisted in great part of being over due and hopelessly gone bills, and instruments purporting to be securities but utterly and wholly worthless. The one redeeming feature in Mr. Stapleton's case is, however, that he did not by covert pretence leave the bank, but he remained at his post to share the pecuniary responsibility.

When men of character—members of Parliament representing commercial communities—men whom people look up to for example of high honour and sterling truth, descend to such subterfuges, such tampering with falsehood to veil facts, what the state of morality must be as we go down in the social scale it is fearful to contemplate. Supposing Mr. Stapleton to be a fair specimen of the legislature to whom are entrusted the duty of making laws for the encouragement and protection of honest industry and honourable enterprise, and for the security of the proceeds of that industry and enterprise from the wiles and schemers and the rapacity of dishonest adventurers, we might indeed entertain fears for the future. Happily that is not the case—not only do the governors, directors and managers who have taken an active part in the disgraceful transactions connected with this so called bank, not represent the principles which rule in banking and commercial circles, but the fact of their having been associated in a prominent position with such an institution will render them objects of doubt and suspicion from this time forward. That they have been the means of weakening public confidence in joint-stock banks is to be lamented. But that is an evil which time will remedy, and if, as is probable, it should induce banking establishments generally to devise measures for assuring the public of their soundness, which there are very few now existing in London that would experience the slightest difficulty in doing, it will be an evil not unattended with good, and while checking undue credulity on the one hand, will, on the other, restore these, to a commercial people, invaluable institutions, to the position they are entitled to occupy in the public mind.

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## ADVANCE IN THE BANK'S RATE OF DISCOUNT.

THE money market continues in an anomalous position. Satisfactory as is the progress of trade, and uninterrupted as are the imports of Australian and Californian gold, there is no appearance of the abatement of pressure. The demands upon the resources of the London and continental markets have not diminished, but on the contrary have increased, and the result has been that the Bank directors have raised the rate of discount to  $6\frac{1}{2}$  per cent. Some apprehensions were entertained of the probability of a further movement upward, but at present the *minimum* quotation still stands at this point. Additional limits have, however, been placed to advances on stock, and while the rate is 7 per cent. for this kind of accommodation, the period for which it is granted varies from a week to a fortnight.\* As the Bank directors have, in the meantime, refused to discount brokers' paper having more than one month to run, the whole of their arrangements have become more contracted, and the public have consequently, through other channels, to submit to augmented terms. Notwithstanding the supplies of the precious metals during the last three weeks have increased, and other large remittances are known to be on their way, the proportion sold to the Bank is limited, the greater quantity being taken for the use of the Bank of France, or for the purchase of silver to provide the shipments to the East. The existing condition of things excites considerable anxiety, and various opinions are expressed with regard to the probable consequences. Few persons are sanguine enough to predict a return to ease, and it is not in the least probable that much lower rates will be current so long as there is a disposition to encourage all descriptions of joint-stock enterprise, particularly in cases in which settled guarantees form the principal attraction. The fate of the Grand Russian Railway Scheme, of £45,000,000, however, leads us to hope that the first important check to the overflowing of the market with new foreign securities has been given; and as it is also stated that the new Turkish National Bank, the concession for which was recently noticed, will not be immediately proceeded with, the drain will not be accelerated. Sufficient causes, nevertheless, are in operation to maintain the inquiry for money, and the payment of dividends exercise little or no influence in producing, as in former periods, a change for the better.

The City editor of *The Times* thus announced the alteration in the rate on the 2nd of April:—

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\* On the 26th of April the Bank directors again placed the limit for advances on stock to a week.



The Bank of England have raised their rate of discount to-day from 6 per cent., at which it had stood since the 18th of December, to 6½ per cent. The measure created general surprise, although the gold withdrawals and the extreme pressure for discounts during the past week might have suggested its probability. The next *Gazette* returns will, it is believed, prove that the decision is in harmony with recent precedents. Those who are dissatisfied with it urge that, as the payment of the dividends will shortly take place, and there is also a prospect of good supplies of gold and silver from Australia and Mexico, and of the drain for the Bank of France and India diminishing, a delay of a week or two should have been allowed. The true policy of the Bank, however, is not to trust to contingencies in any case, and in the face of the removal of half a million of bullion in the course of a few days, not for any exceptional and temporary object, but to meet requirements from France, Brazil, India, China, the Cape of Good Hope, and the West Indies, there was certainly no reason for hesitation. It is true there are grounds for assuming that this unfavourable state of our balances with foreign countries cannot much longer continue, since, if our extraordinary trade is really sound and profitable, its profits, unless they are dispersed by an extravagant expenditure, must some day exhibit themselves; but the most experienced persons have now for several weeks looked confidently for a turn, and have found only that the pressure is increasing. Still, should the anticipation of a more easy period be suddenly realised, the Bank are not tied to their present rate, even for a single week. That in adopting it they have not gone beyond the point which the natural condition of the market dictated has already been proved by the fact, that the demand this afternoon at 6½ per cent. has shown scarcely any falling off. The increase announced to-day applies alike to discounts and to loans upon securities. The discount establishments have increased their allowance for money at call from 5½ to 5¾ per cent. The rate of the joint-stock banks for deposits will be 5¼ per cent.

The expediency of the Bank being guided in their discount arrangements by the amount of their bullion and the state of the money-market, instead of pausing to see if certain things may not happen to render a change unnecessary, has been illustrated in the results of their downward movement in December last. That step was much criticised at the time, because many persons thought it would have to be retraced in a week or two, and the public were charged with having clamoured impatiently for relief. On the opposite side it was argued that the Bank should be guided day by day solely by the facts before them at the moment, and not by any conjectures, however rational, as to the course of future events. The experience of that case has since shown how deceptive such conjectures may prove. The reduction occurred nearly four months ago, and until to-day no alteration has been found necessary, the interval of freedom from change having been considerably beyond the usual average.

On the 6th of April it was further intimated as follows:—

The Bank of England, which during the recent shutting of the transfer books has made its usual quarterly advances on stock at 6½ per cent., gave notice this afternoon that the rate for such advances will now be 7 per cent., and that they will be limited to seven days. This movement was not generally known until after business hours, when it caused Consols to be sold at a further decline. It is, however, precisely similar in character to that adopted at the approach of the dividend payments in January last. The rate of discount was then 6 per cent., and the charge for loans on Government securities was put up to 6½. The step might therefore have been anticipated. Within the last five weeks, the aggregate amount taken from



the Bank on these securities has been extremely large, and now that the ostensible reason for which the assistance was granted no longer exists, it is right that they should be brought within a compass not to interfere with the supplies available for regular commercial operations. The Bank is not bound, either by precedent or in any other way, to make these advances after payment of the dividends on any terms whatever, and supposing an anticipation to have been entertained of the necessity of increasing the stringency of the present discount arrangements, it may be presumed they would have been withheld altogether.

With regard to the discount of broker's paper, subjoined is the announcement of the 7th of April:—

The Bank of England adopted a further slight restriction to-day, which had the effect of increasing the heaviness of the stock-market. In ordinary times they discount bills, not having more than three months to run, for the bill brokers in the same manner and on the same terms as for the public. This afternoon, however, they gave notice that the accommodation would be limited to bills having not more than one month to run, and that on bills of longer date they would only make advances for a fortnight. This limitation is not in any way to apply to the public at large, all ordinary mercantile applications being still freely met at  $6\frac{1}{2}$  per cent. During the ensuing 10 days the amounts repayable to the bank will be extraordinarily great, and if these should be met in any considerable proportion, without a call for renewed assistance, the restrictions adopted yesterday and to-day will probably soon be rescinded. The object of the bank evidently is to keep themselves free during the next fortnight to take any measures that the course of events may render necessary. Within that time the effect of the dividends and the prospect of a partial retention of some of the Australian gold arrivals will have been ascertained. Further advices will also have been received which will help to indicate whether we are to continue sending gold to all parts of the world to obtain the requisite supply of silver for each fortnightly Indian mail. Any course that may then be presented may be expected, therefore, to assume some degree of permanence. Meanwhile it will be an advantage if the step now interposed, with regard to bills of long date, should induce all persons, in the uncertainty that prevails, to weigh well the responsibilities of protracted commitments.

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#### INCREASE OF THE CAPITAL OF THE BANK OF FRANCE.

THE letters from Paris state that the proposition for doubling the capital of the Bank of France has been discussed and adopted, subject to the approval of the Council of State and the Legislative Chambers. The entire amount (£4,000,000) is to be advanced to the Government on a deposit of Rentes, and, in addition, the Bank are to lend to them £2,400,000 during the whole duration of the charter, which is now to be prolonged 30 years. Each holder of a share in the Bank will have a right to a new one at the price of 1,100f., to be paid by various instalments.

On this subject a correspondent remarks:—

"In the columns of one of your daily cotemporaries I have observed two or three remarks, upon the Bank of France, which I think have not been

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made with that consideration of the facts of the case which their importance and merits demand. As these remarks, uncontradicted, may be injurious to the credit of the Bank of France, and to my personal interests as a shareholder in that institution, you will, perhaps, permit me to point out what is really the case, and why the bank is now under an imperative necessity of increasing its capital.

The Bank of France, as at present constituted, possesses only a capital of £3,600,000, with which amount it manages, not only the head establishment at Paris, but no less than 41 branches, and that the transactions it carries on are most extensive, will be indicated by the following facts and figures, about which there can exist no dispute.

The total commercial operations of the bank, in 1846, at which time its capital was no more than at present, extended to about £89,000,000 sterling, but, in ten years afterwards, say in 1856, with the same capital only, we find them increased to upwards of 200 millions of sterling money, shewing the enormous stride which the industry of France had taken in that time.

In the year 1846 the bank in question only issued notes of 5,000 frs., 1,000 frs., and 500 frs., of which at that period its circulation did not exceed 10½ millions sterling.

In the year 1850, it was found advisable to issue, in addition to the above notes, others of a smaller denomination, namely, for 200 frs. and 100 frs., and the consequence was that its circulation increased to upwards of 19 millions.

In the year 1856, the circulation of the Bank of France stands at 24 millions, and concurrently with its increase of capital, it is reported that the circulation is to be augmented by the issue of a smaller denomination of note, say one for 50 frs.

Now, sir, it cannot be denied that the capital of the bank, which might have been amply sufficient to supply the requisitions of commerce in 1846, when its operations went no further than 69 millions, would be manifestly insufficient to supply the wants of the commercial public when their transactions are increased to 200 millions.

Nor does the writer alluded to seem to be acquainted with the habits of the lower classes of the French population, whose inveterate disposition for hoarding, throws all ordinary calculation as to the circulation of bullion in that country entirely at fault, inasmuch as an increase of 100 millions in the bullion imported into France by no means represents an increase in the metallic circulation of that country to any thing like that extent.

He seems, too, to have forgotten that the French peasant, tradesman and small proprietor does not hoard bank notes, he distrusts everything but the precious metal, and that, once put by, seldom sees the light again until the death of the proprietor.

The consequence is, that although the imports of gold have been enormous, they have as yet failed to be sufficient to support the increasing foreign commerce of France, and which now necessitates the step which the Bank is taking.

It must also be remembered that the large commercial operations of France cannot always be represented by bullion, but absolutely requires an extended paper circulation to give them their full development.

Bullion might have done very well when the average amount of commercial operations were merely inland retail operations, but when commerce branched out into foreign channels, and the average amount of mercantile securities became incomparably larger, and in proportion to the expansion of foreign commerce, private credit became expanded and increased in like



or even greater proportion—an increase in the issue of paper circulation becomes not a political, but a commercial necessity.

It is to meet this necessity that the Bank seeks to double its capital; and nobody acquainted with the extreme prudence with which the affairs of the Bank of France has been hitherto managed, even in the most difficult times, will suppose that the permission to do so will lead the institution out of its usual and proper path, which is to aid and accommodate the industry of the country.

It may, however, be further argued, that this circulation of notes will not increase the circulation of money in France by a single franc. It will have the same effect it always had, of displacing and representing so much bullion in the hands of the people, and liberating it from its present unproductive state, and it will also have the effect of giving the country increased capital for foreign payments and other purposes, both of which are desirable objects, and at the present moment very much required.

The fact is, that the bank, in issuing this additional quantity of notes, feels itself called on to increase its reserve of gold to ensure their convertibility, under any circumstances, so that as their bullion increases, they may offer increased accommodation to the country by increasing their discounts, and this also at the same time that it enables them to increase the amount of its interest-bearing securities.

The purchases of bullion by the Bank of France, can, therefore, excite little surprise, inasmuch as it is evident that the possession of such bullion by the bank, and therefore its purchase, is rendered imperatively necessary, in order to create a basis whereon to found an extended circulation, so that it may be thereby enabled to meet the enormously increasing requirements of commerce.

I am, Sir,  
A SHAREHOLDER OF THE BANK OF FRANCE.

### NATIONAL BANK OF VICTORIA.

IN the last number of the *Bankers' Magazine* we alluded to the proposal brought before the consideration of the House of Assembly at Port Philip, for establishing a National Bank, and the topic had, as might have been expected, been strongly discussed. The latest advices, however, state that the question had been referred to a committee, who are to report upon it, and consequently any further immediate action is, for the moment, delayed. The annexed resolutions, however, show the views of the Colonial Treasurer, and indicate that it was contemplated to vest the issuing power in commissioners, independent of the Government, who should also have the custody of the public balances, and who might purchase government securities against one-half of the notes issued and balances held. They likewise provided that, in case the government of the adjoining colony of New South Wales should impose an export duty on gold similar to that established in Victoria, the sovereigns of the Sydney Mint shall then be received at the bank at the fixed price of £3 14s. per ounce. This arrangement, however, was to be conditional on the Sydney sovereigns being admitted as a legal tender in the United Kingdom—a position to which they are entitled in reason, but which has hitherto been refused them. The private bank circulation was to be prohibited from increase during a certain interval, yet to be fixed, and at a later day it was to be suppressed, a quarterly tax of a half per cent. being meanwhile levied on their average issued:—



**"RESOLUTIONS TO BE PROPOSED IN SELECT COMMITTEE ON BANKING.**

"1. That it would be for the public advantage that no notes payable on demand should be in circulation, except such as might be a legal tender.

"2. That it would be for the public advantage that the power of issuing bank notes should be vested in one institution, established by the State, and not carrying on ordinary banking business.

"3. That it would be for the public advantage that the balances of the consolidated revenue and other funds in the hands of the Treasurer of Victoria and of public accountants should be employed in reduction of the public debt.

"4. That it would be for the public advantage that an office should be established in Victoria, in connection with the Royal Mint, for the purchase of gold of standard fineness at a fixed price.

"5. That for the purpose of carrying out these resolutions it is expedient that on the            day of           , in the year 18           , a public bank should be established, under the management of three paid commissioners, appointed by the Governor in Council, but not under the control of the Executive Government, removable only by a vote of both Houses of Parliament or of the House of Assembly in two succeeding sessions.

"6. That the commissioners should act as bankers to the treasurer and all the public departments and accountants, taking over the balances now deposited in the private banks.

"7. That the power of issuing bank notes should be exclusively vested in the commissioners, with the exceptions hereinafter provided.

"8. That the notes of the public bank should be a legal tender, except by the commissioners, at their head office, at which they should be paid on demand in gold coin.

"9. That the notes of the public bank should be issued only in exchange for coin, or in payment of draughts upon public accounts, or to private banks ceasing to issue their own notes, as is hereinafter provided.

"10. That the commissioners should be empowered to purchase and hold government securities, but the amount of such securities should never exceed one-half the amount of the bank's liabilities on account of the notes in circulation and of the public deposits, nor should it exceed £1,500,000.

"11. That so soon as duty shall have been imposed on gold exported from, or minted (except in bond) in, New South Wales, equivalent to the duty imposed on gold exported from Victoria, the duty on the export from Victoria of coin issued from the Mint at Sydney should cease; and that such coin should (if declared a legal tender in the United Kingdom) be recognised as a legal tender in Victoria.

"12. That the commissioners should thereupon be authorised and required to purchase all gold of standard fineness which might be offered to them at the fixed price of £3 14s. per ounce, transmitting it to Sydney, to be returned in coin.

"13. That no private bank shall, after the            of            in the year 185           , have in circulation more than the amount of its average circulation during the last quarter of the year 1856, or, at its option, than the amount of its average circulation during the years 1855 and 1856.

"14. That no private bank should, after the            day of           , in the year           , issue or re-issue any bank notes, except notes of the public bank.

"15. That there should be paid, on the average circulation of every private bank in each quarter, after the            day of           , in the year           , duty at the rate of 10s. per centum. and no notes of any such bank should be, after such date, received in payment of revenue.

"16. That it should be lawful for the commissioners of the public bank to make arrangements with any private bank now issuing bank notes for withdrawing the circulation of such private bank, and for issuing the notes of the public bank.

"17. That it should be lawful for any private bank to hold public bank notes in lieu of such coin as by any law or charter in force they are required to hold.

"18. That it should be lawful for the commissioners to establish branch banks



for the issue of notes in exchange for coin, and for the receipt and payment of public moneys.

"19. That all dividends on public securities should be paid by the commissioners under an arrangement with the Treasury.

"20. That the commissioners should transact no other banking business whatever.

"21. That the profits of the commissioners of the public bank, arising from all sources (except 2s. 6d. per ounce on the purchase of gold), should go in reduction of the public debt, and be from time to time invested in public securities, and that the said sum of 2s. 6d. per ounce should be carried to the consolidated revenue.

"22. That an account of the amount of bank notes issued by the commissioners, of the public deposits held by them, and of the coin, bullion, and securities belonging to them, should be published weekly in the *Government Gazette*.

"23. That in lieu of the returns made by every bank, under the Act 4 Vict., No. 13, a weekly statement of their assets and liabilities, in a more simple form, should be prepared and rendered to the commissioners, and an abstract thereof should be by them published weekly in the *Government Gazette*."

Mr. Westgarth, in a paper read before the Melbourne Chamber of Commerce, thus refers to the question:—

"The boldest feature in the ministerial programme of finance is the proposition of a national bank of issue, whose notes should circulate amongst the public in place of those of the various banking companies as at present. It does not appear that more than this is sought for, and the prominent reason for this important change is the saving and facilities as to loans that it will give to the Government. It is intimated that the daily average balance on hand of the public moneys is now not short of £700,000. The note circulation of the country is £2,000,000. With the facilities of a Government Bank, it is estimated that one-half of each of these sums might be invested in Government securities; in other words, be appropriated for the public use without any charge of interest. This banking project has been very quietly arranged, and its sudden announcement takes us all by surprise. If carried out it will certainly make a material deficit in banking profits and shareholders' dividends. These interests have at least the guarantees of being established usage. But what a quiet sweep our treasurer would make of such trifling obstacles. "A certain day," he says, "should be named on which the banks at present issuing should be obliged to confine their issues to the extent of their then circulation. Another day should be named on which they should not be allowed to reissue any notes coming in. And a third day should be notified at which their notes should not be received at the Treasury. And this would be the signal to the banks to draw in their circulation. After this pleasant havoc, we instinctively inquire, What next? and we almost expect to hear that one-fourth of private property and incomes are to be sequestered to Government use, owing to the obvious and easy accession that would be thereby gained to the public revenue. Five hundred elderly spinsters and others of slender means, both here and at home, whose regular half-yearly pittance out of Australian banking had been pleasantly reminding them of our prosperity, are to satisfy themselves as they best can, in explanation of a very sensible deficit in their receipts by the information that our enterprising Government is making a new experiment in banking, in which it has detected some appreciable saving to the public revenue."

If this is but a partial view of the case, as no doubt it is, it will, at all events, introduce us to the main argument—namely, What the public indirectly gain through the Government, and what they directly lose with one another by the proposed change? Our Government is not wrong in perceiving a profit in this transaction; it is wrong only in not properly counting the cost and the loss elsewhere. If it chose to set up a store in Melbourne, provided it shut up all competing stores, a large profit might be guaranteed, the proverbial extravagance of management notwithstanding. As the public would here be injured, as well as the storekeepers, so it is a vulgar error that the banks only would



suffer by the banking project in question. The issue of notes, as one item of profit, is a subject of consideration in almost every local operation of our colonial banking; and the contemplated advantage tends alike to facilitate these operations in respect of the charge made by the banks upon the public, and ever supplies an extra stimulus to these institutions to ratify by their agencies every part of the country where the wants of the people afford business to a bank. It is only by such means, and not by the passive action of a Government bank, that a note circulation of £2,000,000 can be maintained, as at present, in the country. When the Treasurer speaks of availing himself of £2,000,000 of note circulation, he speaks of an economical fabric reared and momentarily supported by an agency, which by his plan is to be superseded. Does he propose that the Government shall establish active issuing agencies on every gold-field, and in every country town, or does he expect a generous aid in his plan from those banks whose issues he has extinguished? Then, again, when he alludes to three millions of coin lying idle in the banks, has he not overlooked the deposits? These are moneys at call equally with the notes. The present note issues are rather over £2,000,000; but the deposits are nearly £6,000,000. To carry out the official idea effectively, must not the proposed bank be one of deposit also, as well as issue, with its cheque-books and tellers, its staff, worthy in pay and proportions of a wealthy Government, its loans and discounts, and its 10,000 customers? With all this, or with any part of it, I think the Government of a free country cannot have too little to say. It cannot have too little to do with trade or money in any shape that goes beyond the simple receipt and expenditure and finance set forth in its estimates. It is well known that in the opinion of "the Opposition" even this is most unwillingly trusted to it; but the opinion of a still larger body would soon be unfavourable did it encumber itself with more. If there is a visible enthusiasm amongst some of our number regarding this novel project, I fear that this feeling is founded on quite delusive expectations. It is so, at least as far as I have seen. One tells me, for instance, that Government will thereby be enabled to lend money at three or four per cent.; another, that the old bank monopoly and high rates will be at length broken down; and so forth. How are such results possible? If these ideas contemplate, as they doubtless do, the Government entering upon a much wider range of banking business than they have given intimation of, the case is only worse and worse. I have no hesitation in saying that if, from carrying out this banking scheme, there is any change in the rate of interest and in the banking facilities to the public (and some appreciable change in the latter at least, I think there may be), it will be a change to higher rates, and to fewer facilities. In a country rushing a-head like ours at present, under a strong reactionary tide of prosperity, failure is difficult in anything. Nevertheless, I feel assured that, as compared with the present system, the proposed one will, if adopted, soon result in failure; but not, perhaps, sufficiently soon to save us from some enormous expense, from a great inconvenience and loss to the banks and the public, and from no enviable notoriety, as regards the instability of our public companies.

### THE LONDON AND EASTERN BANKING COMPANY.

THE directors of this bank, together with a committee appointed to enquire into its affairs, have presented a report which will be found in another part of the *Banker's Magazine*. The intention is to realize the assets, and liquidate outstanding engagements due to the public with all possible dispatch so as to prevent unnecessary litigation. The committee state that they will pursue with vigour the measures necessary to make the directors responsible for their culpable management. Col. Waugh having been made a bankrupt, his estate will be wound up in Basinghall-street.



THE ESTATE OF MESSRS. FOX AND HENDERSON.

The following balance-sheet in the bankruptcy of Messrs. Fox and Henderson has been filed in the District Court of Bankruptcy, Birmingham, showing a nominal surplus of £35,243. These figures seem unexpectedly favourable, but it is nevertheless affirmed that the valuation of the assets has been made with care, and that a very satisfactory final result may be hoped :—

IN THE MATTER OF SIR CHARLES FOX AND JOHN HENDERSON.

*Balance-Sheet from June 30, 1855, to February 11, 1857.*

<i>Dr.</i> —To sundry creditors	...	...	...	...	£94,511	15	3
Creditors holding security on property	£131,454	0	6				
Liabilities	...	...	...	20,824	4	5	
Balance	...	...	...	...	35,243	7	1
					£129,755	2	4
<i>Cr.</i> —By debtors good	...	...	...	...	£28,233	13	7
Ditto doubtful	...	...	...	£21,937	2	6	
Ditto bad	...	...	...	5,044	10	9	
					£26,981	13	3
Taken at	...	...	...	6,500	0	0	
					8,500	0	0
By property to be taken by the assignee...	...	...	...		40,770	14	5
Property on which creditors have security	...	...	...	154,434	14	10	
Deduct amount due to creditors per contra	131,454	0	6				
					22,980	14	4
By special assets	...	...	...	...	31,270	0	0
					£129,755	2	4

PUBLICATION OF THE BANK RETURNS OF ENGLAND.

The expediency of an earlier publication of the weekly returns of the Bank of England has often been discussed, and parties are correct in asserting that cases constantly occur in which the knowledge privately possessed with regard to them before they are furnished to the general public is employed for speculative purposes, not necessarily by any of the directors, but through the indiscretion of some of them in conversing with their personal friends. This evil, under the present system, is incurable, since the governors and leading directors, and also the Court as a body, have in vain made the most strenuous efforts to trace it to its source. If for no other reason, therefore, the publication of the return up to the end of each week in the *Gazette* of the Tuesday, instead of that of the Friday following, should be resolved upon. There are, however, many additional and imperative motives for the change. These returns are intended to enable the public to foresee and prepare against the probable fluctuations in the value of money, and it has been rightly urged that under the Currency Act of 1844, they afford such a perfect barometer in this respect that there can be no excuse for any trader who may permit himself to be caught in an approaching storm. But the pre-



sent delay deprives them of much of their value. Three weeks back a large portion of the public was taken by surprise at the sudden announcement of the advance of the rate of discount to 6½ per cent. Nothing in the returns published up to that date had indicated the certainty of any such movement. But the Bank directors were acting upon a return made up two days previously, which shewed a falling off in the bullion of £640,000, and which might at that time have been published to all the world, so as to give notice of the impending change. It is true there are some considerations on the opposite side, which may be cited to absolve the directors from any intentional disregard of the duties of publicity or of the general convenience of the commercial world. The preparation of the accounts, to be in time for the *Gazette* of Tuesday, would possibly involve some slight difficulties; and there is also the argument that if the public were to observe on any Wednesday morning a great diminution of the bullion, they would rush to get all their bills discounted at the existing rate before the Court could deliberate at their Thursday weekly meeting on the advisability of increasing their terms. But this would be easily met, since the governor could advance the rate on the Wednesday if the applications were such as to render it requisite, and the Court could on the next day modify or adhere to the step at pleasure. Moreover, it would be a great advantage if the habit of leaving the rate to be fixed by the weekly Court were altogether discontinued, and the system were accommodated each day to the ever-fluctuating relations of supply and demand.

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#### "THE TIMES" ON THE MONEY PRESSURE.

THE perplexities of the money-market seem greater than ever. For many months, persons have been looking to the present period as that at which some turn in the unfavourable course of our bullion balances might be expected, and, instead, we have the Bank reverting to almost its highest rate of discount, while its stock of gold is reduced to a point lower than at any time in the last ten years. The question is, can this sudden increase of pressure be attributed to temporary causes, or is it only a regular stage of a condition which has already existed for two or three years, and must now be considered permanent? On the favourable side, we have the fact that, looking at the course of a great number of years, the rate of discount in England averages about 4 per cent., and that, consequently, any advance beyond this point has always hitherto been followed by a proportionate reaction; next, that the trade of the country has, for the last 27 months, been of unprecedented magnitude, and healthy in nearly every department; next, that, notwithstanding the profits thus made, there has been an unusual abstinence from speculative commitments either at home or abroad; and, finally, that the agricultural returns of the kingdom have, for the last two years, to say the least, been perfectly satisfactory. With a profitable export business, an economical expenditure, and a good yield of home produce, the circumstance that the balance of cash payments between ourselves and the rest of the world is uninterruptedly against us seems an extraordinary anomaly. Last year, the conviction that our position in these respects could lead only to a rapid improvement in our money-market, was so strong that the most persevering warnings were necessary to prevent the public from at once running wildly into every description



of foreign adventure, and their surprise, therefore, may well be great, when, after twelve months' continuance of such prosperity, they find themselves increasingly in debt to other nations. The chief explanation offered is, that the great commercial development consequent upon the gold discoveries and other causes, has created a demand for capital beyond all former experience. This, however, is little better than a superficial assumption. There has been no unexpected addition to the population of the world, nor any conversion of nations from barbarism to civilisation, to warrant the belief that our mercantile transactions have been suddenly forced to such magnitude that our entire yearly gains are insufficient to supply the extra capital requisite for carrying them on. The Australian discoveries are now six years old, the population of those colonies is still insignificant, a large portion of them continue their old avocations of producing wool and tallow, and the occupation of the remainder, who are engaged in gold-finding, can have no material effect either in increasing or diminishing the wealth of the world, or in leading to an alteration of the rate of interest, however extraordinary may be its influence on the other relations of property. It is true that our exports last year were £20,000,000 above any recent average, and that an augmentation is still taking place, but commercial men know with what a slight increase of actual money an improved trade to this extent may, when credit is perfectly sound, be carried on. A large part of the addition, moreover, is merely consequent upon higher prices, and although these involve a proportionate increase in the movements of capital, their effects are, in most cases, balanced in the course of a few months; since, if we have to pay more for our raw material, we have also more to receive for our manufactured goods, and the ultimate bullion balances in settlement can, therefore, in no way be affected. Hence the doctrine that the spread of commerce will account for the phenomena now in progress, must be discarded as unsatisfactory, or, at all events, insufficient. Further reasons must be sought, and they will probably be found much more in consonance with the ordinary course of affairs. A failure of crops in some part of the world is generally at the bottom of all monetary disturbances, and, in the present instance, this solution is one among others. The loss of silk last year in Italy and France, the vine blight, the deficient yield of wheat in France, the Peninsula, and many parts of Germany, the destruction of the corn crop in the United States in 1855, and the transfer consequent upon the war of part of our Russian trade to India, seem enough. The official efforts on the Continent to conceal from the people their real position in times of disaster have prevented the extent of impoverishment sustained by France and other countries during the past year from becoming accurately known; but no one doubts that it has been such as would explain a very severe revulsion. Indeed, the surprise has been that, while the grounds for distress in that country have been perfectly apparent, she has escaped with a degree of monetary pressure not greater than that witnessed in England. Has not this result, however, been solely consequent upon the extent to which she has drawn upon



English capital? It is believed that the fall in her government funds and railway securities has been arrested solely by investments from this side. Political order being maintained, while the extent of her agricultural losses have been as much as possible concealed, the confidence of English capitalists in her securities has not been shaken; and, with every fresh decline, London investors have been disposed to increase their stake. In this way, we have mitigated the pressure, and taken it, in a great degree, on our own shoulders. At the same time, the fact of a most important portion of European trade being diverted to China and India, has caused a temporary lock-up, both of money and produce, since, probably, at no time throughout the past year, has there been at sea less than £1,500,000 of specie, and an equal value in silk, tea, hemp, &c., beyond what would otherwise have been so situated. Along with these circumstances, there would also have been many minor ones. The conviction that, with the prevailing prosperity of the country, it was impossible that the pressure for money could continue, has been so perseveringly held, that investments—usually too large and incautious—in American stocks, have been continued to a much heavier extent than has been supposed, in order to secure the advantage of low prices in New York. The gradual absorption of bullion by the Austrian Bank, in preparation for a resumption of specie payments in January next, has likewise had an influence, as well as the search for silver to supply the China market, which has kept a large quantity of gold *in transitu* throughout Europe and South America. Lately, the Persian and Chinese wars have added to the demand, while, for a long period, the calls have been steady for the Grand Trunk Railway of Canada, and also for the Indian lines. These considerations appear ample to account for our present position, without a resort to any particular theories, and they are all of a character to encourage a belief that affairs will, after some time, resume their ordinary channel. Good crops, however, can alone be the foundation of any permanent change. At present, the silk harvest promises well, but it is too early to form any conclusive opinion. The season appears also to have been generally favourable for grain, but that must be an anxious question for several months. Under no circumstances, however, can a return to cheap money be anticipated for several years. While the commercial pressure has been going on, a multitude of claims for useful public works in our colonies and elsewhere, with large guarantees, have been held in abeyance, and these will offer opportunities to cause all persons to congratulate themselves if they have kept their capital available. That any one will be found, under such circumstances, now willing to commit himself to an indefinite outlay on Russian railways, with 4½ per cent. as his utmost prospect, and with many possibilities to interfere even with that, is a contingency that can hardly be entertained.

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## SAVINGS BANKS REFORMS.

In a pamphlet on *Savings Banks Reforms*, addressed to the Chancellor of the Exchequer, Mr. C. W. Sikes, of the Huddersfield Banking Company, after recapitulating the imperfections in the management of these institutions which have resulted in the Government being liable for a deficiency of between £3,000,000 and £4,000,000, and an unprogressive condition of most of them, owing to the guarantee of the State being incomplete and deceptive, advocates the following improvements, viz. :—That the guarantee should henceforth be perfect; that there should be a head bank in London to control the whole system; that there should be a vigilant and general audit; that there should be a great extension of the hours during which savings banks are open, an increase in the number of banks, the services of private and joint-stock banks being used in cases where they might prove economical and advantageous, and an augmentation of the facilities for the deposit and withdrawal of money; that one-fourth of the capital should be employed in first-class landed securities and railway mortgage bonds yielding 4 per cent.; that there should be an uniform rate of interest to depositors to 3 per cent. upon sums up to £100, and 2½ on all beyond; that the deficiency now existing on the savings banks' account should be closed by a creation of stock to the requisite amount, and that a periodical return should be made of all deposits and depositors, classified respectively into occupations and amounts. The most essential point is that the Government guarantee should for the future be unquestionable, and this is already known to be contemplated by the Chancellor of the Exchequer. The other alterations suggested seem generally sound and practicable, and would help to form the basis of a system that would restore savings banks to the estimation in which they were held during the first twenty years of their existence.

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TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for the past month were issued on the 26th of March, and continue to show an extraordinary increase of our exports. Compared with the prosperous month of February last year, there is an augmentation of £1,587,293, or 20 per cent., while, compared with the same month of 1855, the difference is £4,280,624, or 85 per cent. Assuming that this trade has been conducted on legitimate principles to meet an actual demand in foreign markets—a point upon which no material doubt has as yet been suggested—it seems impossible that the existing unfavourable tendency of our bullion balances can much longer prevail. Our home consumption of goods does not appear to be extravagant, and we have no unusually heavy commitments weighing upon us in the shape of foreign loans or advances. The annexed table shows the exact increase or decrease of our exportations under each head, and it will be observed that the only item of any important amount on the adverse side is again that of cotton yarn, which would imply merely that foreign manufactures are



less active than our own. It must be borne in mind, with regard to the subjoined amounts, however, that in some cases the increase is partly due to a rise in the price of the raw material :—

## DECLARED VALUE OF EXPORTATIONS.

Months ending Feb. 28th, 1856, and Feb. 28th, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£108,565	£119,946	£11,381	—
Beer and ale ... ..	117,000	134,178	17,178	—
Books ... ..	23,917	28,974	5,057	—
Butter ... ..	51,977	46,568	—	£5,409
Candles ... ..	11,969	15,285	3,316	—
Cheese ... ..	7,072	9,586	2,514	—
Coals and culm ... ..	168,717	191,541	22,824	—
Cordage... ..	20,412	9,809	—	10,603
Cottons ... ..	2,065,462	2,494,358	428,896	—
Cotton yarn ... ..	658,696	550,169	—	108,527
Earthenware ... ..	86,014	112,966	26,952	—
Fish ... ..	6,600	10,774	4,174	—
Furniture ... ..	13,925	21,933	8,008	—
Glass ... ..	42,461	41,328	—	1,133
Haberdashery ... ..	252,441	381,299	128,858	—
Hardware ... ..	220,389	283,711	63,322	—
Leather ... ..	106,671	164,292	57,621	—
Linens ... ..	345,928	398,065	52,137	—
Linen yarn ... ..	100,037	149,857	49,820	—
Machinery ... ..	172,239	245,868	73,629	—
Iron and steel ... ..	791,464	941,927	150,463	—
Copper and brass... ..	216,838	230,685	13,847	—
Lead ... ..	39,669	45,472	5,803	—
Tin ... ..	85,948	154,890	68,942	—
Oil, seed ... ..	63,586	34,858	—	28,728
Painters' colours... ..	20,647	24,976	4,329	—
Pickles and sauces ... ..	27,601	19,911	—	7,690
Plate and jewellery ... ..	29,797	35,741	5,944	—
Salt ... ..	18,744	21,920	3,176	—
Silks ... ..	192,237	272,597	80,360	—
Soap ... ..	22,148	19,571	—	2,577
Soda ... ..	36,206	41,515	5,309	—
Spirits ... ..	47,734	81,304	33,570	—
Stationery ... ..	41,552	54,151	12,599	—
Sugar, refined ... ..	4,460	23,890	19,430	—
Wool ... ..	82,363	55,461	—	26,902
Woollens ... ..	821,581	1,100,029	278,448	—
Unenumerated articles ... ..	602,680	728,959	126,279	—
<b>Total ... ..</b>	<b>7,725,747</b>	<b>9,813,040</b>		

With regard to imported commodities, a decrease is shown for the first time during a considerable period in the arrivals of wheat, flour, and rice. Salted provisions show an increase, but in the consumption of cocoa, coffee, and tea, there has been a falling off, owing, as respects the latter, to the dealers holding back for the reduction of duties. Sugar, wines, spirits, tobacco, spices, and fruits, have been largely taken.



Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Months ending Feb. 28th, 1856, and Feb. 28th, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	194,111	107,352	194,111	107,352
Grain of other descriptions, qrs.	97,576	98,621	97,576	98,621
Indian corn, qrs....	133,806	38,630	133,806	38,630
Flour and meal, cwt. ... ..	224,679	156,077	224,679	156,077
Provisions—Bacon, &c. &c., cwt.	43,039	56,337	Free.	Free.
Butter and cheese, cwt. ... ..	53,388	55,120	54,366	58,976
Animals, No. ... ..	2,834	3,705	Free.	Free.
Eggs, No. ... ..	2,437,400	6,643,800	8,437,100	6,644,200
Cocoa, lb. ... ..	247,623	606,133	324,487	243,113
Coffee, lb. ... ..	1,886,588	1,783,463	2,715,759	1,947,661
Sugar, cwt. ... ..	428,704	402,858	373,213	539,862
Tea, lb....	10,395,024	7,377,523	4,623,278	3,143,669
Rice, cwt. ... ..	200,552	59,917	99,792	111,597
Spirits, gallons ... ..	593,347	514,225	381,260	413,306
Wines, gallons ... ..	231,482	492,399	580,578	625,213
Tobacco, lb. ... ..	1,179,543	2,152,352	2,522,270	2,603,562
Currants, figs and raisins, cwt...	8,556	35,011	20,476	17,330
Lemons and oranges, bushels ...	88,713	113,735	84,047	111,851
Spices, lb. ... ..	1,040,663	413,806	349,974	373,552
Ditto, cwt. ... ..	1,316	2,915	316	169

The following are the comparative imports and exports of raw material, showing an extraordinary increase in silk :—

Months ending Feb. 28th, 1856, and Feb. 28th, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	49,260	40,457	—	—
Hemp, cwt ... ..	37,281	22,903	—	—
Raw silk, lb. ... ..	510,525	1,780,284	212,672	166,979
Cotton, cwt....	783,044	538,297	121,509	76,364
Wool, lb. ... ..	3,024,853	4,288,971	2,987,993	920,917
Tallow, cwt. ... ..	32,051	48,999	—	—

Of silk manufactures the totals stand thus :—

Months ending Feb. 28th, 1856, and Feb. 28th, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Silk manufactures of Europe, lb.	94,964	94,761	94,764	90,560
Ditto of India, pieces ... ..	36,178	76,433	8,214	13,318

The miscellaneous imports exhibit an augmentation as regards dyes and dyeing stuffs, hides, leather manufactures, and timber. Copper and iron figure for a decrease, and other metals for an increase. Olive and palm oils again show a decrease, and other descriptions an increase.



### THE ROYAL BRITISH BANK.

It seems there will be no end to the investigation into the management of this unfortunate establishment. Further revelations of the most astounding character have taken place, and the directors are being separately brought forward to explain the causes which have led to the disastrous results now apparent. The whole of them appear more or less culpable, and the inquiry exhibits the loose manner in which the ordinary operations were carried out. A second dividend of 2s. 6d. in the pound has been declared, which, with the previous distribution of 5s. 6d., will give a present total of 8s. It appears to be considered that a further 2s. or 2s. 6d. may be hereafter paid, and should the compromise with the shareholders be sanctioned, that will bring the amount to 16s. 6d. Some are even sanguine enough to reckon upon 18s. or 18s. 6d., especially if a satisfactory sale of the Welsh works be effected. The ultimate liquidation of the estate is a question of great importance to the majority of the creditors, and it is thought that it may be wound up by the close of the year. The further examinations of the several parties are continued, and arranged as they stand in regular order they will be found valuable for future reference.

*Court of Bankruptcy, Basinghall-street, March 25.—(Before Mr. Commissioner HOLROYD).*

### IN RE THE ROYAL BRITISH BANK.

This was a meeting for the further examination of Mr. Edward Esdaile, the late governor of the bank.

Mr. Linklater appeared for the assignees; Mr. Venning for Mr. Esdaile; Mr. Ellis watched the case on behalf of the representatives of the late Mr. Charles Walton.

Mr. Linklater, before proceeding with Mr. Esdaile's examination, applied to the commissioner for the appointment of a further dividend sitting in this matter. He stated that there was now in hand sufficient to pay a further dividend of 2s. 6d., or at least 2s. in the pound. The assignees were very desirous that an early sitting should be appointed. Mr. Linklater then remarked that the general compromise with the shareholders would, in all probability, be delayed in consequence of Parliament having risen so unexpectedly, but that the assignees were proceeding with the composition, and it was all-important that the creditors who had not already done so should signify their acquiescence as soon as possible.

The 17th of April next was accordingly appointed for the dividend sitting.

Mr. Linklater said, it was due to Mr. Paddison to state that he had nothing to do with the securities taken from Mr. Walton, and those taken from Mr. Humphrey Brown were taken with the perfect knowledge, on the part of the directors, of the irregularity of such securities.

The Commissioner—It is not a common practice with bankers to take such securities.

Mr. Venning—Among merchants, I am told, it is exceedingly common to do this thing upon honour.



Mr. Linklater—"More honoured in the breach than in the observance."

Mr. Linklater stated he had been asked by Mr. Goddard, a professional man, a surgeon, to mention publicly that he is not the Mr. Goddard who became bankrupt by having taken shares in the Royal British Bank.

Mr. Paddison stated, as to Mr. Humphrey Brown's securities, that he did advise the directors most explicitly about the consequence of the non-registration of the ships, pointing out that the consequence would be that, for want of registration, it would certainly be in the power of Mr. Humphrey Brown, if he thought proper and chose to do so, either to sell or to mortgage the ships and to destroy the bank securities.

Mr. Paddison further said, respecting the statement he had made as to the discussion about clause 71, at the instance of Mr. Humphrey Brown, in March or April, 1855, that all the directors present at that meeting appeared to be opposed to Mr. Humphrey Brown's suggestion.

Mr. Esdaile here said—With reference to my evidence given at the last examination on the subject of Mr. Walton's account, I find that in consequence of Mr. Linklater having brought to mind circumstances which showed that I knew the state of that account before I took the chair in February, 1855, I was led to infer that I must have had access to the green ledger before that date, contrary to my first impression; but, from facts of which Mr. Paddison has reminded me, I believe I was right originally, and that I must have come at a knowledge of that account from some other source, and not from that book (probably from Mr. Cameron's statement of it). As to the case of Mr. Frederick Clark, and the advice given by the Attorney-General, I wish to state that I am not aware that there was anything in that case which the bank would have been mad to expose, except the fact that it had a serious lock-up of capital in a colliery in Wales, and this, I suppose, was the meaning of the Attorney-General in his advice to us. With respect to the general conduct of myself and my brother directors, which Mr. Linklater has so severely arraigned, it is only fair to state that, except those directors who were debtors to the bank, and who were but four in number out of twenty-two, we had no personal interests in carrying on the bank. For myself, I swear I was actuated by a sincere desire to do the best for the shareholders. We were not taking money from the bank, but were labouring incessantly to retrieve its affairs. After I became governor, I was myself there almost daily, and almost all day long; and, if the attempt to carry on the bank should now appear absurd, it is surely due to us that the public should consider that the present state of affairs was not present to our minds. The disasters which have occurred came upon us by degrees, and the large deficiency now shown by Mr. Coleman is to a considerable extent due to the loss which always attends realisation in Bankruptcy. To the last we were led to suppose that there were many chances of extrication before us; that the Welsh works would have been leased at a royalty or taken up by a public company, so as to cover that outlay. The loss by Mr. Brown we did not suppose could be a heavy one, his securities having been valued at £60,000. We were, moreover, in treaty with another banking establishment, which was not unwilling to treat with us on the footing of giving us a large capital sum for the good will of the business we had acquired at so small a cost, subject of course, to investigation. We also looked forward to strengthening the bank by additional capital and by more influential directors; nor did we consider it improbable that, under our altered circumstances and improved position, some men of capital and enterprise might be induced to ally themselves with the bank, who, with a knowledge of its burdens, would likewise appreciate and be influenced by its capacity of profitable develop-



ment. If our hopes in any of these respects had been realised, the failure of the bank would have been averted. I am not anxious to show that we were right in the course we took. We may have been too often injudicious in our conduct under the difficulties of our position; but I am most anxious that it should appear that our motives were correct, and that we had no other aim than to do our best in the circumstances in which we were placed. It is in this way that the matters upon which Mr. Linklater has so strongly adverted are to be explained. When we presented the half-yearly account, when we declared dividends, when we called in or invited shareholders to join us, with further capital, or did any of the other acts which have been censured, we were governed by the same motive. So long as the directors thought that the circumstances were not such as to warrant them in closing the bank, so long it was absolutely necessary—as every man of business will know—to pay interest on the capital, and to uphold, as we endeavoured to do, the credit of the bank with the public. I have been much pressed as to my opinion of the insolvency of the bank at different periods. I think it must be apparent to everybody that up to August, 1854, when I took up ten of the new shares, I could not have had any fear as to its stability and ultimate success, and, afterwards, surely my continued connection with it is the best evidence of the reliance I placed on the future. I joined the bank in its earliest stage with upright intentions; I have remained by it through its troubled career; and I have sunk with it, thank God, with clean hands [hisses and other marks of disapprobation], and a conscience which exonerates me from one act of intentional wrong.

Mr. Linklater—Mr. Esdaile is welcome to the benefit of his explanation.

Mr. Esdaile was then examined by Mr. Linklater as follows:—The promissory note for £18,457, dated the 28th of January, 1854, payable three months after date, produced, signed by Messrs. McLeod, Chandler, John Baring, J. C. Thompson, and Humphrey Brown, is signed by me. I and three of those persons were directors of the bank. Mr. Chandler was the auditor. Mr. Thompson was the engineer of the Wandle Waterworks Company. That note was given for money borrowed by me and my co-directors, for the Wandle Waterworks Company, of the Royal British Bank. That note was repaid with interest. I think there is no balance due upon it. I can have no conception that there is upwards of £2,000 due upon it. The Wandle Waterworks Company had started the thing, I think, in 1852. It must have been that I and my co-directors borrowed, in 1852, of the Royal British Bank £15,655 for the Wandle Waterworks Company. I was, in 1852, a director of the Wandle Waterworks Company. The money borrowed of the Royal British Bank was for that company. It was upon ample security, and was repaid with interest. If I am to answer the question as to whether or not the Wandle Waterworks Company went to Parliament in 1852 or 1853 for an Act, I admit they did. The bill was opposed.

Mr. Venning submitted that there was no reason why the affairs of the Wandle Waterworks Company should be paraded before the public.

The Commissioner—Your anxiety gives the appearance that there is something in it.

Mr. Linklater—Mr. Venning is your brother-in-law, I believe, Mr. Esdaile?

Mr. Venning—He is.

Mr. Linklater—That may account in some measure for the interruption.

Examination continued—I do not know how long that note for £15,600 remained unpaid. When it was taken up, it was paid with interest. I am not quite sure whether a portion of that did not remain upon the account, and was incorporated in the £18,000 in the previous bill. I presume that



note was unpaid on the 3rd of January, 1854. It was afterwards paid with interest, and the bank ran no risk in that advance. I cannot answer the question as to whether the only security the bank had for the advance of £15,655 was my signature to the petition to the Court of Chancery for a return of the money in case the bill was thrown out. The bank received the like security for the note for £18,000. I have not been connected with any companies that I know of that made use of the funds of the Royal British Bank. I was not a member of the Waterproof Brick and Tile Company. My name was put to the paper produced without my authority. I was acquainted with the Royal Australian Gold Company. I was connected with another company which was based upon that. The Royal British Bank were their bankers, if it says so there. That company became defunct. The Wandle Waterworks Company also became defunct. I have heard of the Irish Peat Company, but I have had nothing to do with it. I have not heard, until this time, of the Home and Colonial Improvement Company. Mr. Gwynne was a director of the Royal British Bank. I do not know that he was a director of any other company. I believe that Mr. Cameron did at one time make a complaint that there were so many of these companies with which the Royal British Bank was connected. He never complained very much that the parlour of the bank was used by the directors of these companies. I never had an account myself with the bank. My partner, Mr. Margrave, however, had a cash credit account with the Royal British Bank to the amount of £5,000. The balance owing by Mr. Margrave to the amount of £4,000 has been paid since the bankruptcy.

Mr. Linklater—I do not wish to mention the name now, but did you in January, 1854, obtain for a brother-in-law of yours a cash credit for £1,000?

Mr. Esdaile—Yes, I did.

Mr. Venning—I may state, that brother-in-law is not myself. I have no doubt we shall have the family here; but it is not me on this occasion.

Mr. Esdaile here detailed the circumstances connected with this advance.

Mr. Linklater—In what amount did you find that Mr. Walton was indebted to the bank on the 1st of February, 1855?—It was £46,697 upon discount account. Taking the discount and current accounts at that date, there would be due from Walton to the bank upwards of £52,000. The only security the bank held for that debt was the deposit of £52,000, was the mere deposit of the mortgage on the "Helen Lindsay," the "Hero," "Magdalena," "Ocean Wave," "Hornet," "James Gibb," and "William Stevenson," and the commercial names attached to the bill, constituting the discount account. I think it must have been that in the month of January, 1855, we learnt that there was considerable apprehension with reference to the security held by the bank from Mr. Walton in the shape of that commercial paper. The letter produced from Charles Walton to Hugh Innes Cameron, the general manager of the Royal British Bank, is signed by Mr. Walton.

Mr. Ellis objected to the reading of the letter; but  
The Commissioner overruled his objection.

Mr. Linklater read the letter, which was as follows:—

Private.

Tulse-hill, Jan. 11, 1854.

(Should be 1855.)

Dear Sir,—I was much surprised to hear from my son that you refused to discount any bills for us. I beg to tell you plainly that it is absolutely necessary that you should continue to discount such bills as we receive from persons who owe us the money, not only to prevent us stopping payment, but for the



safety of the bank itself, which must fall if the governor and two of the directors fail, with whom will also stop six or seven other persons connected with the bank. You are not acting the part of a prudent man of business in thus stopping us in our energetic course of gradually liquidating and withdrawing the bills from the bank, which cannot possibly be done without us having sufficient time to realise our assets. Perhaps you are not aware that we have already paid this month between £30,000 and £40,000 bills held by the bank, and between this and Monday shall pay about £2,000 more, thus gradually but continually lessening the amount of paper in the bank's hands (I do not reckon what has been done for Mr. H. Brown, as the bank holds the securities), but it must be a work of time, and cannot be done without the bank's assistance in the way of discounts. This is a positive fact; and if you risk the safety of the bank by refusing to discount, let me know at once, when we ourselves, Mr. Brown, Mr. Cochrane, and four others, must stop payment; for what? Not for any anticipated loss to the bank, but a refusal of assistance to allow us time to realise. But before you commit this rash act, pray consider this, that you are positively benefitting, not injuring the bank, by discounting for us, as otherwise the bills must come back to the bank. Secondly, that you run no additional risk whatever, but contrariwise; and that it were better for the bank to refuse discounts to all others than us, which, if refused, will certainly bring down the bank with it. As far as we individually are concerned, our liabilities are small and means ample; but we have got to bear on our shoulders Mr. Humphrey Brown, Mr. Cochrane, and others, until we can realise their property (except the second), which you know is a dead loss to us, but none to the bank. We have to bear the whole of his losses; every one else escapes; all of which we can arrange by having the necessary discounts. Our acceptances are very small; it is others owing us, not us owing others; so all our bills are bills receivable, which we must assist the acceptors to pay. We only want time, for as the ships' freights are paid and other accounts, so shall we want less and less of the bank's assistance; but this can only be done by having time allowed us to realise. Please recollect this, that in assisting us in the way of discounts, the bank runs no additional risk whatever, and obtains a good return, we being willing to pay 6 per cent., as our large business can well afford; but in refusing it runs the most imminent danger of stopping, when you know the fearful exposure and consequences that would ensue. As governor of the bank and a considerable proprietor, I feel a deep interest in its welfare, and do honestly beg of you to consider the fearful consequences to all concerned if you refuse to assist us in discounting (we want no loan), which you can do with safety and advantage to the bank, and it will not lose one penny by us, as we have plenty of assets. You hold securities to a considerable amount in your hands. I write this in pain, so excuse all blunders. I will, the moment I am able, put everything straight with the bank, and merely let the bills be credited, less discounts, as they are done. I am gradually recovering, and now am able to get down to dinner, and hope, by God's blessing, in a week to be able to come to town. Whatever may be arranged hereafter, you must discount such bills as they want, to prevent a fearful catastrophe, till I come to town.

Yours with much sincerity,  
CHAS. WALTON.

Hugh Innes Cameron, Esq., General Manager of  
the Royal British Bank.

Examination continued—At the time that letter was written, the large amount owing from the manager, Mr. Cameron, to the bank, must have been discovered. It appears there as a fact that during the absence of the general manager, I discounted for Mr. Charles Walton his draught upon Mr. Cochrane for the £700 on the 17th of March, 1855. It is Charles Walton's discount account. That must be subject to explanation. I find two names in the book produced, one beginning with the initial G, and the other with the initial S, two persons who were said to be so much involved with Mr. Walton at the time. After that time, other discounts were made



on bills accepted by the same parties to the amount of thousands. But that was upon Mr. Walton's declaration as to the ship securities upon which he had granted advances to those parties. The bank parted with their own moneys on merely getting the bills together, with the security of Mr. Walton's name. The balance upon the average on Mr. Walton's discount account with the bank in 1855, was between £20,000 and £30,000, but it was larger—£40,000; then £17,000; then £16,000, and finally it was extinguished. I have heard Mr. Cochrane's name mentioned in Mr. Walton's letter, and I see that in an early letter in December, Mr. Walton alludes to Mr. Cochrane's difficulties. Mr. Cochrane must have involved him very much. The Royal British Bank in that very month of December granted a credit to Mr. Cochrane of £5,000 upon the security of certain bonds at Liverpool. Mr. Cochrane was at that time a director of the bank. There were four bonds given, amounting together to that sum. Mr. Cochrane thereupon had liberty to draw upon the funds of the bank to the amount of £5,000,—a privilege of which I have no doubt he soon availed himself. (Laughter.) The sureties to one of the bonds of £1,000 were Kirk and Furness, of Liverpool. I do not know when they failed. The deed of composition is dated soon after the transaction. Mr. Oxley is one of the sureties for another £1,000. He failed about the same time. When these two sureties had gone for £2,000, we asked him to show us a statement of his account. He had no security to give us at that time. His account increased after I became governor, on the 1st of February, 1855, from £5,000 to £10,000, upon the strength of certain credits which he said was either in his hands or coming into his hands. (Laughter.) I will say what they were if you will allow me.

Mr. Linklater—If you will do me the favour to reserve your explanation until I have put one or two questions with regard to the account, I shall be obliged. I observe that on the 5th February, the amount of £5,500 is transferred from the drawing account to the discount account.

Mr. Esdaile—I do not know.

Just see whether you do not find from February 5, 1855, although Mr. Cochrane was in that hopeless state that you have told us, the account goes on, and in June, 1855, while you are governor, the amount owing by Mr. Cochrane upon that discount account was £11,231?—Yes. (Sensation.)

For that the bank held no security?

Mr. Esdaile—No tangible security. (Laughter.) But I have an explanation to make upon that. (Renewed laughter.)

Certainly; and it so continued, and the amount now owing by Mr. Cochrane to the bank is somewhere about £10,000?

Mr. Esdaile—Is it so much as that?

£10,427 2s. 8d.?

Mr. Esdaile—Whatever the books say, of course, I admit.

Mr. Linklater—Now, any explanation you like.

Mr. Esdaile—At the time the £5,000 bonds were given, he put a list before us of certain liabilities of his which were about to mature, and which those bonds would cover. At that time of course the bank was impressed with the stability of those names. (A laugh.) The bank had no reason to doubt the stability of Messrs. Kirk and Furness, or Mr. Oxley; but subsequent to that, when Cochrane's embarrassments became more apparent, and the pressure upon him became more severe, we called upon him to make a general statement of his affairs in our hands, and he showed us that there were bills, acceptances of his own, to the extent of £5,900 maturing; that he was under obligation to meet demands, part of which would be compromised to the extent of £1,500 or more, and at that time



there existed an over-draught upon the account—my memorandum states of £1,800—making together £9,200, against which he placed these credits. You asked me why we let him go on. He said there were the proceeds of cargoes of wood in his brokers' hands to the amount of £5,995; that there was due from the Halifax house with which he had commercial transactions £4,000; that he held shares in the bank, and other securities, together equal to £2,000; that he had cash at this time at the London and Joint-Stock, and our bank, £800, in all £16,890, having actually given us a return of five large debts owing to him from estates which had then become bankrupt, including Oxley's failure, and Kirk and Furness, together amounting to about £7,000, the dividends upon which he reckoned to be quite equal to £2,200 or thereabouts, and appearing in the schedule of credits to the extent of £18,527. Besides that £18,000, those £5,000 of the Liverpool bonds were running, so that it did appear, unless there was some great fallacy in the figures, that the bank was covered with a very large margin—by £5,277. The doubtful figures which he reported to us in these credits were the £5,296 given in as the balance of proceeds of the cargoes of wood. He said brokers had charged for interest upon advances and other charges, such as dockage expenses, which would very much impair that figure, but he said in his opinion there must be between £2,000 and £3,000 coming to him. That would still have left a large margin to cover these advances, and under those circumstances, not wishing to expose the bank to the unpleasantness of the failure, and the unnecessary failure, as we believed, of one of our number, the bank considered and allowed him to act upon the account to a certain extent, always feeling that they had a margin of many thousands in their favour. If you ask me whether these securities were then of a tangible character, such as we could put our hands upon, I should say they were not, because the dividends on the bankrupt's estates were coming in to the extent of £2,000. His dividend of the Halifax house had not been realised. His bank stock remained, and though now you may say we had no right to look upon it as a security, we did look upon it as a security. That is my general answer to the question. How could I, in my position, see the account accruing from the date I took the chair? My answer is, that we believed the bank was amply secured by the credits he showed in the statement of his affairs.

Mr. Linklater—Why delude yourself with such language as “having security?” Does it amount to more than this—that Mr. Cochrane represented himself to be a solvent man?

Mr. Esdaile—Yes, very far above insolvent. They held among other securities a number of shares in the bank. (Laughter). The bank at that time began to experience inconvenience. This was in September, 1855. Their funds were becoming very short. They relaxed their discounts, but he was not aware whether the discounts to the directors were restricted.

A letter was here produced from Mr. H. D. Macleod, an officer of the bank, as addressed to Mr. Cameron. It commenced “Dear Mr. Manager,” and acknowledged the receipt of a haunch of venison, which had arrived safely. It also set forth that he could make up £25,000, but that that was their last shot (a laugh), and that there was no prospect of meeting their payments on the 13th. The manager was much wanted again at the helm.

It appeared from the further examination of Mr. Esdaile that, notwithstanding the board had considerable apprehensions in October, 1855, of being able to go on, they issued a circular to the shareholders stating their intention of opening a branch in Holborn and adding 2,000 to the existing number of shares. By issuing the shares, they were endeavouring to do all they could to uphold the bank. (Laughter). The last report to the share-



holders was issued without a signature. Did not know who drew the report. He must have had a hand in it. Mr. Cameron's absence from the general meeting on the 1st of August last was, no doubt, at the instance of the board of directors. (Sensation). He had written, offering to come. The bank paid him his salary up to the 1st of September, 1856, and then let him go before the general meeting of the 1st of August. He never treated the green ledger as a mysterious book; all he said was that he was not cognizant of it. He durst say he heard it stated that Cameron kept that book from the directors, and that he alone had the key, but he might have heard that statement made by Owen, and not contradicted it. The book could not have been kept concealed by Cameron, because it was open to observation. Would not like to swear that he did not know before he came to the chair that Cameron had a discount account at the bank. Mr. Cameron might have discounted his own bills.

Mr. Linklater—Did you allow him to keep the accounts as he pleased?

Mr. Esdaile—He was the supreme executive of the bank.

Mr. Linklater—Supreme! I thought you were the governor?

Mr. Esdaile—I am talking as executive. (Laughter).

Mr. Linklater—You do not mean to say he was there for use, and you for ornament? (Laughter).

Mr. Esdaile—It was very much the case. (Renewed laughter). On the 31st of May, 1856, a special court was held, when it was determined "that Hugh Innes Cameron be not continued as general manager beyond the 1st of September, 1856." It would have been an awkward circumstance to mention in the report that he had been "dismissed," and it will be found there that Cameron had "resigned." In May, 1856, the Reverend J. H. Gossett, a shareholder, required the bank to find a purchaser for his shares, he being uneasy in consequence of a communication from an unknown correspondent. The bank replied that he should put them in the hands of his brokers. Mr. Gossett did so, but, being unable to find a purchaser, threatened to call a meeting of shareholders and depositors. The directors thereupon gave directions that the shares should be purchased. That would be with the bank moneys. There was no entry in the books of this transaction. Oh, no! (A laugh). The broker was my brother-in-law, and I recommended him not to put in his name as the transferee of the shares. During the whole period of the bank's career, a sum of £4,000 odd only was carried to the bad debt fund, whereas the bad debts exceeded £150,000; debts which were ascertained to be bad appeared, notwithstanding, through subsequent half-yearly accounts as assets.

A report had been issued, in which it was stated that "the contributions of innumerable small rills, gradually swelling into a mighty head, might be diffused so as to irrigate and fructify the surrounding space and be a blessing to the givers and receivers." This simile applied to the blessings to be derived from the Royal British Bank. (Laughter). That report concluded:—

"That the benefits of the institution to the community would as much exceed those of even savings-banks, as did the gains of the good and faithful servant those of him who kept his pound laid up in a napkin."

(Loud laughter.)

On further examination, Mr. Esdaile said—It was true, most true, that the best principles were of little avail unless they were practically, intelligently, and faithfully acted on; these were the professions of 1849. It was intended that the bank should commence with a capital of £500,000, but as the public would not respond, they reduced the capital to £100,000. They made every



effort to get out the shares. The Parliamentary expenses were £9,000, including £1,100 paid to the directors. He (Mr. Esdaile) had seen the bank through all its hopes and all its difficulties—the difficulties first and the hopes after. A Mr. Menzies was the secretary of the bank at the commencement. He did not know then that he was at that time in Whitecross-street. (Laughter.) Did not know of Mr. M'Gregor's arrangement with the proprietor of the Hall of Commerce, to give him £500 if he got the bank to purchase the building. He remembered Menzies going to the north with Alderman Kennedy to look after shareholders; they got plenty of promises; the Newcastle people got their money back. A letter was read from Menzies to Mullens, the then solicitor of the bank, dated Burden's Hotel, Whitecross-street, June 21st, 1849, requesting Mullens to obtain his release, that he might be enabled to attend the next board meeting, and put all things right.

Mr. Linklater here read a statement of the directors sent out to the world:—

"That the Royal British Bank being incorporated by Royal charter, it possessed a privilege of doing local business equal to any bank except the Bank of England. The Lords of Her Majesty's Privy Council of Trade had already approved of the deed of constitution by increasing the capital as the nature of the business might require."

(Sensation.)

Mr. Menzies was described as "John Menzies, Esq., secretary." in the report. (Laughter.) Mr. John M'Gregor is indebted to the bank about £7,000. (Mark of disapprobation.)

Mr. Ellis explained, as to the discount account which Mr. Walton, deceased, had kept at the bank, that was beneficial to the bank. It was a mistake, therefore, to say that Mr. Walton was at any time indebted in a sum of £43,000 on that account. The bills discounted were all paid off. The letter he had written to Mr. Cameron was penned on a sick bed, Mr. Walton being then confined to the house under a severe attack of illness.

His Honour said it would be a very beneficial rule if directors would not discount with their own banks.

Mr. Linklater stated he had concluded Mr. Esdaile's examination. It was his intention to examine Mr. Apsley Pellatt on Wednesday next, and he had promised to attend for that purpose.

*Court of Bankruptcy, Basinghall-street, Wednesday, April 1.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

This was a meeting for the examination of Mr. Apsley Pellatt, formerly a director of the bank, and late M.P. for the borough of Southwark.

Mr. Linklater appeared for the assignees, and Mr. Voss for Mr. Pellatt.

Mr. Pellatt, examined by Mr. Linklater, deposed that he became a director of the bank on the 12th of February, 1849. Mr. M'Gregor, a personal friend, spoke to him on the subject of the formation of the bank. It was to be formed under the 7th and 8th of Victoria. The first prospectus issued stated that the bank would be formed on the principle of limited liability, and he thought he should not himself have joined it but for that. Under the charter, he was aware it became unlimited. He knew a Mr. Learmouth, who was at the first meeting for the establishment of the bank, but not afterwards. Did not know any of the other parties. Did not find John Menzies, Esq., there as secretary; never saw him to his knowledge. Saw



him once or twice afterwards, but not acting as secretary. Could not say when it first came to his knowledge that the bank was not founded on limited liability. First attended a meeting of the board on the 19th of February, 1849. Mr. Mullins, in consideration of his being appointed solicitor to the bank, had undertaken to pay all the preliminary expenses of the formation of the bank, and a minute had been made to that effect. Did not know that he (Mr. Pellatt) had signed this minute. He signed it without reading it. He supposed it was read. It was proposed to commence the bank with a capital of £100,000. On referring to the document produced, he found the amount was £500,000. That document was, no doubt, correct, and his recollection wrong. An advertisement would appear to have been issued setting forth that shareholders would incur no liability beyond one-fourth the amount of their paid-up stock, and depositors no risk whatever. Be that as it might, his impression was that the bank was one of limited liability. The advertisements in the *Bankers' Magazine* and *Bankers' Circular* had, he presumed, been issued by the authority of the board. The advertisement was inserted in pursuance of a minute bearing his signature. He always considered the capital to be £100,000. Did not know that Mr. Menzies was secretary, notwithstanding his name appeared as such in the same advertisement as his own. He always thought Mr. Mullins, or perhaps Mr. Paddison, was the secretary. [Mr. Paddison—"No."] Mr. Pellatt adhered to this statement, notwithstanding his attention was called to several instances in which his name was thus mentioned. It had been agreed that a Mr. Coulson should be appointed manager of a branch to be opened at Newcastle, on condition of his introducing a certain number of purchasers of shares.

A letter was here read from Menzies to Mullins, requesting him to sanction by letter the appointment of Mr. Coulson as manager, and suggesting that they should "steer clear of the Union" (a bank at Newcastle), "which had nothing to give, but, being in a mess, would like to be helped out of the mire." (Laughter.) That letter was submitted to the board at a meeting at which he was present. Mullins wrote the reply produced, addressed to "John Menzies, Esq.," sanctioning the appointment of Mr. Coulson, assuming his qualifications to be as represented, and that he disposed of 200 shares.

Mr. Linklater here proceeded to make various quotations from letters, in which opinions were expressed that the bank must have great success at Sunderland, where the announcement of its intended appearance had created quite a sensation. (A laugh.) The Union Bank, it was clear, must succumb (increased laughter), and the Royal British would take its place.

Notwithstanding this correspondence, he (Mr. Pellatt) must still say that he did not know Mr. Menzies had ever been secretary to the bank. He could never exactly make out what he was. (A laugh.) He was not secretary, but had a particular mission. (A laugh.) Never heard that, on the same day he (Mr. Apsley Pellatt) was appointed director, John Menzies, Esq., was appointed secretary. He would again say that he thought Mr. Menzies went to Sunderland, not as secretary, but on a special mission.

Mr. Linklater, in further examination of Mr. Pellatt, here read another letter from Menzies, dated Sunderland, conveying the information that he was fast, and wanted £10—he could not move without it. (A laugh.) He must have this, and the prospects at Sunderland were so bright that there would be a clear profit of £50,000 a year from that place. (Great laughter.) After that letter had been read, he (Mr. Pellatt) would still persist in saying that he did not know that Mr. Menzies had acted as secretary. He was no party to this correspondence between Menzies and Mullins.



Another letter was read from Menzies, recommending them to keep clear of certain shoals, and stating that he was working hard, but could not get on so well as he wished for want of the charter. Mr. Mullins could have no idea what this charter would do for them. Parties were only holding back from taking shares on this account. He did not like this lukewarmness. The charter must be had.

The following resolution of the bank was here put in in evidence:—

The secretary read a letter from Mr. Dickinson, of Newcastle, suggesting that he should retire into the north, with the view of assisting Mr. Coulson and Mr. Dickinson in placing the shares on which Mr. Mullins advanced eleven guineas. Resolved, that in reference to this and other communications received from Newcastle, it appears necessary that the secretary should retire thither and give Mr. Cameron a meeting there. Mr. Menzies is, therefore, authorised to comply with the request of the Newcastle shareholders, and to take an early opportunity to go thither, and remain until recalled.

Notwithstanding this minute, Mr. Pellatt, further examined, said he must still deny that he knew Mr. Menzies acted as secretary—he had a doubt of it.

Mr. Linklater—Nobody else has.

The Commissioner—This minute was made on the 11th of May, and in June Menzies was in Whitecross-street prison. (Laughter.)

A letter, of which the following is a copy, was here put in:—

Queen's Head Inn, Newcastle, May 9, 1849.

My dear Sir,—Your will see that our member, Mr. Headlam, aimed a direct blow at the prospectus of the British Bank in the House the other evening, especially referring to its circulation in certain quarters, doubtless meaning Newcastle, when it was calculated to mislead. Now, although I for one am prepared to defend the scheme of the British Bank in all its details, yet I cannot help feeling that some of our friends here, from their great zeal for forwarding the project, and in their eagerness to overcome a difficulty, have admitted, if not propounded, a principle which the prospectus of course does not warrant in the sense contended for by the people of Newcastle—namely, "limited liability to the shareholders, irrespective of the management of the bank." This is to be regretted, and of its bad effects I have already had some proof in Mr. Dunn having respectfully declined taking shares in consequence of that misunderstanding.

The principles of the projected bank are so sound, and admit of such clear elucidation, that I have a strong desire to send a short letter to the journal this week on the above point; and in connexion with Mr. Headlam's remarks, on the other hand, I see some little danger in mooted the question until the promised shareholders are secured down here. I see, however, that when the bank shall be established, so far as this distrust is concerned, that matter must be put upon a sound footing for the sake of depositors. Mr. Hawthorn, from indisposition, did not come into town to-day. Mr. Betton will accompany me out to his house in the morning.

Mr. West has taken five shares, and his brother-in-law will take other five.

In haste, I am yours sincerely,

JOHN COULSON.

John Menzies, Esq.

Another letter was put in, in which Mr. Menzies acknowledged the receipt of £50 from Mr. Owens, a new director. This was handsome (a laugh); and again, he hoped something might be done that he could again make his appearance at the bank, he being then in prison.

Mr. Pellatt said the first information he had of this incident was on perusing Mr. Esdaile's evidence as given at the last sitting. The reason the bank was not established at Newcastle was, that shareholders could not be



obtained. The minute produced enabled him to say that a considerable number of shares were taken at Newcastle.

Mr. Linklater again referred Mr. Pellatt to an advertisement setting forth that its commencing capital was £100,000, with power of gradual increase to £2,000,000. The names of Edward Esdaile, Esq.; John Gwynne, Esq.; Achilles James Hertz, Esq.; William Daniel Owen, Esq.; Apsley Pellatt, Esq.; Thomas Ritchie, Esq.; Archibald Spens, Esq.; and Charles Walton, Esq., were put forth as directors; also, another advertisement containing this passage:—

“The capital being subscribed, no further shares can be issued, and all allotment letters which have not been responded to are cancelled. It is expected that the bank will be completely organized and in operation by the end of September.”

The name of Apsley Pellatt was mentioned in the last-mentioned advertisement as a director, and that of John Menzies, Esq., as secretary. It was very wrong if this was so. These prospectuses might be lying about, but it never struck him as knowing that Menzies was secretary. (Laughter.) If he had seen the advertisement he should have objected to it,

Mr. Linklater—I can show you prospectus after prospectus.

Mr. Pellatt, further examined, said he was present at a meeting on the 22d of June, 1849, when a minute was entered to the effect that the Crown should be petitioned for a charter. The following words occurred in the said petition:—

“That the said deed has been executed by the holders of more than one-half of the shares in the said business on which not less than £10 on such share had been already paid up, and that the said deed so executed is annexed to the present petition.

His (Mr. Pellatt's) name was the last on the list of directors signing this petition. He took no pains to ascertain whether the statements contained in this application for a charter were true. (Sensation.) He signed the petition without reading it. (“Oh, oh!”) Had no means of ascertaining whether the statements were correct or not. Had every reason to suppose they were correct. The date of the charter was the 17th of September. Was present on the 27th of July, when a statement was made showing that the deposits had not been duly paid up. Was present on the 3d of August, when the secretary reported that the Royal approval had been obtained for a charter, and that it would shortly be granted. The following was contained in a minute of the 3rd of August, 1849:—

“Securities for £550 ... .. 55 shares,

“Unpaid deposits, £1,460 ... .. 146 shares.

“Deficiency, £590 ... .. 59 shares.

“That an advertisement be inserted in *The Times* and other morning papers of Saturday next, announcing that the charter having received the Royal approval, and the whole of the shares being disposed of, no further applications could be received.”

On further examination, Mr. Pellatt said, if he had wrongly adopted that minute, it was from carelessness. (Exclamations.) He knew the terms of the charter, and that certain payments should be all duly paid up before the bank could commence business.

Mr. Linklater here referred to the certificate of the governor and directors of the company, that the company had complied with the provisions of the 7th and 8th Victoria, which contained this passage:—“That one-half of the amount of each share had been paid up in respect of each of such shares.” That was signed by Mr. Pellatt and others.

Examination continued—At the time he did not recollect that Cameron's  
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promissory note had been taken for shares. He knew that the actual money was not in possession of the bank, but thought the amount was correct, less the preliminary expenses. He did not know that the bank held promissory notes instead of cash to the extent of £7,000 and upwards. Mr. M'Gregor told him that there had been a sufficient compliance with the requirements with the act, and the minute had been made that the requirements of the act had been duly complied with.

Mr. Linklater here read a minute showing that the preliminary expenses were £9,000, and that there was only in the Bank of England an actual cash balance of £26,000.

Examination continued—It would appear from this that Mr. M'Gregor must have been wrong in stating that the act had been duly complied with, and he (Mr. Pellatt) had thus affixed his signature under a wrong impression. (Hisses, and other marks of disapprobation.) He signed the document without reading it.

Mr. Linklater here produced a book containing this passage in the advertisement.

"That the title selected is the British Bank, to be incorporated by charter; the capital to be in shares of £100 each, half of which is to be paid up before the business is commenced, and the responsibility limited."

He (Mr. Pellatt) had understood until the bank failed that the liability was limited.

Mr. Linklater—You have already said that it was some time after you joined the bank that you ascertained it was not limited. You now say you did not ascertain this until after the bank had stopped.—Had a notion that the liability was limited to double the amount of the shares subscribed for.

Mr. Linklater—Where, in the name of Heaven, did you get that notion from?

Mr. Pellatt—I think it was in a bill which Mr. Cardwell, or more likely Mr. Lowe, introduced.

Mr. Linklater—But not passed, and therefore became law! (Laughter.)

Mr. Pellatt—I think there is a bill of that character still which is the law of the land.

Mr. Linklater—You have been rather an active member of the Legislature with reference to education, have you not?

Mr. Pellatt—Perhaps so.

Mr. Linklater—In fact, it is one of those services for which you hoped to obtain another seat.

Mr. Pellatt—I do not think it has anything to do with the subject, and therefore we will not indulge in those expectations.

Mr. Linklater—Still I must confess you so surprise me that I cannot help it. Then your notion was that there was a liability to double the amount of your shares?

Mr. Pellatt—Just so.

The Commissioner—This bank had been formed under the act of Parliament which expressly prohibited limited liability.

Mr. Pellatt—I was not aware of that.

Mr. Linklater—I suppose you took care to tell the public that if a man took a share for £100 he would be liable for £200 and no more?

Mr. Pellatt—I did not. I told the public nothing.

On further examination, Mr. Pellatt said his attention had not been led to a statement in one of the reports that shareholders were liable only to the extent of one-fourth their shares. He relied on the charter. (A laugh.)

Mr. Linklater next referred Mr. Pellatt to a minute that "the services of



John Menzies, Esq., as secretary, be discontinued from that day," and asked Mr. Pellatt whether he was not one of the directors who had agreed to pay Mr. Menzies £400 as secretary?

Mr. Pellatt admitted that he was. (Sensation.) He must still, however, deny that he had ever recognised Menzies as secretary.

Examination continued—Mr. Cameron might have been in the north.

The following letter was then read by Mr. Linklater,—

"Caledonian United Service Club, Edinburgh,

October 10, 1849.—Noon.

"My dear Sir,—You will sympathise in my great satisfaction in being able to report to you:—

"1. That I have already arranged on terms as simple as they are advantageous for the Royal British Bank, that I shall obtain any sum that may be necessary to enable us to commence business whenever we choose, and to give the congé to the black—ds (shareholders, I mean) of the north (great laughter) in a style truly right 'royal.' (Roars of laughter.) And—

"2. That I have carried my point for my fair and honourable client, and have secured her the odd £1,000.

"It would be too presumptuous to say with the warrior of old, 'Veni, vidi, vici' (a laugh)! but I ought, with all humility, to say and proclaim that He in whom I trust is indeed invincible. For ever blessed be His name! (Great sensation and hisses.)

"Yours, most sincerely,

"HUGH INNES CAMERON.

"Please let my friend the Deputy-Governor know that I leave (D. V.) at 9 to-night, and I hope to be at the bank to-morrow at 2 p.m. Request Mr. Allardice to stop proceeding with the cash-journal till I arrive.

"Edward Mullins, Esq.

H. I. C."

Examination continued—He never knew of Cameron having thus got the money necessary to commence business. The letter certainly showed something like borrowing a sum of money necessary to commence with.

The Commissioner said he did not see how Cameron's letter could be connected with Mr. Pellatt, unless it could be shown that it was laid before the board.

Mr. Linklater—It is necessary that I should put the question in order to complete evidence which will ultimately have to go elsewhere. (Clapping of hands.) Do you, Mr. Pellatt, recollect how soon after the opening, the certificate had been given of the 16th of November?

Mr. Pellatt—What do you call the opening? Do you mean the commencement of the business?

Mr. Linklater—Yes.

Mr. Pellatt—I don't know that I was there. I might have been.

Mr. Linklater—Do you not recollect the dinner in the evening?

Mr. Pellatt—Yes.

Mr. Linklater—And the prayers in the morning? (Laughter.)

Mr. Pellatt—I had nothing to do with that. (Hisses.) That was Mr. Cameron's own affair. (Laughter.)

Mr. Linklater—You proposed a toast at the dinner? I dare say I did.

Was this the toast?—"The friends and well-wishers of the Royal British Bank, particularly those connected with the London and provincial periodical press." (Laughter.)

Mr. Pellatt—It was.

Mr. Linklater—And in your speech you went on to say—

"Much of the success which has already attended the exertions of the directors was attributable to the manner in which the bank had been supported by the press; and the directors and proprietors were fully sensible of the benefit



which had been conferred upon them, and begged to return thanks to the gentlemen connected with the press who were then present, for their kind assistance."

Mr. Linklater—Were you fortunate enough to get one of the medals of the bank?

Mr. Pellatt—Yes.

Mr. Linklater—And you preserve it as a memento?

Mr. Pellatt—I do. (A laugh.)

Mr. Linklater—And you were going to give a gold medal to the Queen, were you not?

Mr. Pellatt—Very possibly, but I do not recollect.

Mr. Linklater—Then you saw the bank's rising.

Mr. Pellatt—I thought so.

Mr. Linklater—When you left the bank, at the end of 1850, did you believe it not to have lost one-fourth of its capital?

Mr. Pellatt—Did believe it had not lost one-fourth of its capital. He could not say that he gave great attention to that particular amount, but he left it, as he considered, safe and solvent. He resisted an advance on the Welsh ironworks. He thought that an unbusiness-like banking transaction. He went down personally to inspect the mines, and that led to his resignation as a director. There was due from directors and officers of the bank, at the bank, before he resigned, between £25,000 and £30,000. His resignation as a director was conveyed in the following letter:—

Staines, October 30, 1856.

My dear Sir,—The unexpected retirement of Mr. George Pearce from the board of the Royal British Bank has brought my mind to the decision which I have for some time desired—that of sending in my own resignation, and which I shall take the earliest opportunity of doing, for the following reasons:—

The attendances at the board have occupied more time and incurred greater anxiety than I had anticipated when I accepted the appointment.

I feel also that to do justice to the onerous duties of the direction, much more time ought to be devoted, and thus my arrangements for partial retirement would be wholly destroyed, which has already been too frequently interrupted by numerous regular and special attendances at the various boards and committees to which I belong; added to which, Mrs. Pellatt's ill-health having frequently obliged me to accompany her elsewhere for change of air, I have found the arrangements I had made for partial retirement rather productive of fatigue than recreation.

"I feel, therefore, compelled to surrender at least one of the mercantile boards to which I belong, and, after mature deliberation, I have made up my mind that it shall be the Royal British Bank. I need hardly say that nothing but paramount duty impels me to take leave of the governor, directors, general manager and solicitor, with whom I have acted with great satisfaction; and although, as it always must be the case, we may occasionally have differed in opinion, I feel grateful that invariably the most gentlemanly courtesy has been evinced towards me.

I have the satisfaction of having done what little was in my power to aid you and the friends of the bank in bringing into active operation a sound, practical and benevolent commercial establishment, founded upon safe and unerring principles, which, properly worked out, must ultimately lead to great utility, and yield a good dividend to the proprietors.

I believe I could not retire from the court at a more fitting period than the present, when improving balances, high public opinion, and increasing confidence must not only afford the directors great satisfaction, but will offer facilities for securing men of commercial weight and integrity of character to fill up the vacancies of the court, for strengthening and consolidating the permanent interests of the bank. With grateful remembrance and kind regards,

I remain, my dear Sir, yours very sincerely,

ASPLEY PELLATT.

John M'Gregor, Esq., M.P., Prince's-terrace, Hyde-park.



The reading of this letter was frequently interrupted by laughter.

Mr. Linklater—There is not in this letter one word about the Welsh mines.

Mr. Pellatt—I considered it sufficient to protest at the board.

Mr. Linklater—Do you say now that you were alarmed at your position?

Mr. Pellatt—No. I was alarmed at the unbanking nature of the transaction.

Mr. Linklater—And at the probable loss?

Mr. Pellatt—And that it might lead, as a principle, to danger.

Mr. Linklater—You told us not long ago that you went down into Wales; that you looked at the mine; that you apprehended serious consequences; and then came back and gave in your retirement. Now, I ask you why you did not tell the directors what was the real cause of your leaving, instead of complimenting them upon the prosperous state of the bank?

Mr. Pellatt—My opinion of the concern was that the unbanking transaction would be dangerous.

Mr. Linklater—Did you warn any of the shareholders of the danger?

Mr. Pellatt—No.

Mr. Linklater—But you got your money for your own shares?

Mr. Pellatt—I sold my shares, certainly.

Mr. Linklater—Those valuable shares, upon which £50 had been paid, and upon which one might have expected so happy a premium, you sold at £47.

Mr. Pellatt—I did; at £3 discount.

Mr. Linklater—Did you not know previous to this that the directors were issuing shares at a premium?

Mr. Pellatt—Not new shares. Did not know they were issuing any shares at a premium. When he left the bank he thought Cameron owed something. [The list produced of what the directors and officers owed the bank had been handed to him, confidentially, before he retired. It included Ritchie, £3,000; Walton's discount account, £9,300; Mullins, £3,000; M'Gregor, £1,000; Gwynne, £3,000; Esdaile, no account, but his partner, Margreave had a cash credit of £5,000, upon which £775 had been advanced, and discounts allowed to the amount of £1,784; Cameron's cash credit, £3,000. Altogether, these advances and discounts amounted to between £25,000 and £30,000.]

Mr. Pellatt (emphatically)—You do not find my name on the list.

Mr. Linklater—No one charges you with having the moneys of the bank.

Mr. Pellatt—I can show you that I rather aided the bank than otherwise.

Mr. Linklater—We will not discuss all the points. Your opinion and mine is as wide as the poles asunder.

Mr. Linklater next produced the petition to the Queen to be allowed to increase the capital of the bank. This petition contained this passage:—

That your petitioners think it necessary, by reason of the increased and increasing business of the said Royal British Bank, and that they now propose to raise an additional capital of £500,000, and to issue 5,000 shares of £100 each for that purpose.

Examination continued—This petition was signed by himself and other directors on the 29th of October—one or two days only before he wrote his letter of resignation, and after he had returned from the Welsh works.

Mr. Linklater—This is your signature to the petition?

Mr. Pellatt—Yes.

Mr. Linklater—Why did you thus seek to get these new shares issued?

Mr. Pellatt—Because it would strengthen the bank to get new shares. I considered the bank was in a perfectly solvent state without these new shares.



Mr. Linklater—I am afraid we must go back again to Menzies. Is not this one of the scrip of the Royal British Bank signed by yourself and other directors, and also countersigned by John Menzies, secretary?

Mr. Pellatt—I repeat only what I said before.

Mr. Linklater—And you would not have believed it if you had not seen it?

Mr. Pellatt—I do not go to that extent. I say he never was secretary to the board.

Mr. Linklater—But whom was he secretary to?

Mr. Pellatt—I do not know that he ought to have signed his name there.

Mr. Voss—I have no doubt that Mr. Pellatt has been misled.

Mr. Pellatt—Mr. Paddison can tell you how far he was or was not secretary. It must not depend on my evidence.

Mr. Linklater—Sir, I had intended to proceed to-day with the examination of one or two of the officers of the company for the purpose of their giving evidence as to those parts of the case with reference to which Mr. Apsley Pellatt's memory is not quite so tenacious as one could have desired; but one cannot be surprised at it, seeing the length of time which has elapsed since he left the direction—namely, in the year 1853, but it is now too late in the day, and I must therefore reserve, if your Honour will permit me, for another occasion the formal evidence which will be necessary for the purpose of showing that, at the time the petition for the charter was presented, there was not the necessary number of signatures on which the £10 had been paid, and also, with reference to the capital account on the 16th of November, when the certificate was given that the whole of the £50,000 had been subscribed. I will reserve that for another occasion. I have now concluded with Mr. Pellatt.

Mr. Pellatt—I should like to submit to the commissioner how far there is anything affecting my character, my integrity, or my honesty. It is possible that I may have erred, as many gentlemen do attending public boards, and having a great many boards and other business to attend to, in not going into these details and facts which many might say it was my duty to have done, and I regret I did not. I went into that bank, as I considered, to aid the class of middle tradesman and others who would have derived great advantage, and been taken from loan societies, and had the advantage of discounts at a moderate rate. I had no personal interest to serve. I held balances in the bank, and I helped the bank rather than the bank helping me. (Applause.) Therefore, having no motive whatever to inflict an injury upon the public, I did not conceive that I was so doing, but, on the contrary, that I was conferring a benefit. I hope the public and the learned commissioner, and my friends generally, will consider that I am free as a man of honour and honesty from any charge of deceiving or injuring the public, except that, perhaps, of not paying such strict attention to my duties with reference to the matters that were going on, as I ought to have done. I must throw myself upon the feelings of the public and the Court. I had a great desire to act honestly, however erroneously it might happen that I did act. (Applause.)

Mr. Voss—I am afraid that Mr. Pellatt has made the mistake, which is often made, of confiding in men unworthy of trust.

Mr. Linklater—We are not here for the purpose of trying Mr. Pellatt. I do not think it will be found to be immaterial to examine a gentleman in this court whose signature appears to that which one cannot help calling an untruth on more than one occasion, because it certainly does appear that Mr. Pellatt was a party to the advertisements; his signature appears on documents which are certainly incorrect; he is a party to advertisements



which mislead the public, not only with reference to the limited liability of the company, by which advertisements, many have been drawn in and ruined, but certainly he has been a party to the issuing of the advertisements of the final allotment of shares at a time when—there is the record standing against him—he knew well that the whole shares had not been allotted. I am only answering now, as it seems to be my duty on behalf of the assignees to answer, the observations which Mr. Pellatt has made. I have no desire whatever that the least odium should attach to Mr. Pellatt, or any other person, beyond that which the necessity of the case requires. But it will be for the public to judge, as Mr. Pellatt has invited this discussion, whether a gentleman who has sought the honours of the legislature, and on whom, therefore, the public placed more than ordinary reliance, having regularly joined this bank—having invited persons to join by representations with reference to the responsibility which is not borne out by fact, contrary to law, contrary to the charter—having signed his name to the petition and certificate with reference to the state of the funds of the bank, also not borne out by fact; I cannot help thinking that these facts alone, when Mr. Pellatt comes to consider the question (he has now probably seen them, as he says, for the first time) will show that he has been guilty of something which disentitles him to the full expression of approbation that he would desire; but one cannot help feeling this, moreover—that when Mr. Pellatt found that so large a sum had been invested in the Welch Mines, which he admits to have been anything but a banking transaction, and which has been the cause finally of the downfall of the bank, coupled with the fact that the directors and officers of the bank were, to his own knowledge, indebted, instead of putting his signature to the petition to the Crown, on the 29th of October, to issue other shares amounting to £500,000, it seems to me that it would have been his duty, at all events, to have remained passive, and not to have been active in keeping up the delusion under which the public were, as to the prosperity of this bank. (Hear, hear.)

The Commissioner—In the present stage of the proceedings, I do not think it is incumbent for me to express any opinion upon the case. It might be as well to let Mr. Paddison, as he is now here, have an opportunity of giving some explanation with regard to Mr. Menzies's position as secretary.

Mr. Linklater—If your Honour pleases, Mr. Paddison had volunteered the statement, but I fancied that that statement should be made at another time; but as your Honour has suggested the present time, of course I must give way.

Mr. Paddison sworn.

Mr. Linklater—The Court is desirous that you should give your explanation with reference to the conduct of Mr. Menzies, as to his position, and what he did.

Mr. Paddison—The statement I have to make upon that point is entirely of a negative kind. Mr. Pellatt observes twice, in the course of his answers to your questions, that the secretary referred to in the particular minutes might have been Mr. Paddison; and on one occasion, I think, the date of the minute was the 27th of July, 1849, in which there is an expression that the secretary, in the absence of Mr. Mullins, did so and so. Mr. Pellatt specifically observed there that it might have been Mr. Paddison. Now, the statement I have to make with regard to all these suggestions is this, that I never was present at any single meeting of the promoters of this bank previous to the time of their obtaining their charter, nor for some time afterwards—that is, previous to the 17th September—nor for some



time after the 17th of September, 1849, I never was at any single meeting of those promoters. And on the occasion referred to in that minute of the 27th of July, 1849, it is quite clear to me that the secretary referred to in the absence of Mr. Mullins could certainly not have been myself. My own impression was, from what I heard at the time, that Mr. Menzies was the secretary, and that he alone was the secretary. I am further informed (this is not my own direct evidence) by a clerk who is now in my service, and who, I believe is in court, and can give his own evidence if required, that the original minutes, which Mr. Linklater has produced, of the meetings previous to October or November, 1849, during the whole period of the formation of the bank—that those original minutes in that fair copy minute book were all transcribed by that clerk, with the exception of those occasions when Mr. Menzies himself was absent from London, as his own letter shows, from the original draft minutes which he, the clerk, knew to have been in the handwriting of Mr. Menzies himself. The clerk I refer to is Mr. George Shand, who is now in my service, and at that time a clerk in the firm of which I was a partner, Mullins and Paddison, and employed by Mr. Mullins to transcribe the minutes from drafts given to him.

George Shand was then sworn, and stated that he knew Mr. Menzies, and that he copied the minutes in the book; that Mr. Menzies acted as secretary down to the 29th of September, 1849. His name is published in all the prospectuses of the bank from the beginning, as being its secretary. The prospectuses were lying about in the bank parlour, and he had seen them there.

Mr. Pellatt—My impression was this, that I had never seen Mr. Menzies acting as secretary at the bank, and, further than that, I did not recollect ever having seen him, except when he called upon me in reference to his claim upon the bank. I do not mean to say—I may have been wrong, but I was so strongly impressed that I deemed it right to say what I did; I had no object in it—to the best of my recollection. It is seven years back.

Mr. Linklater—Perhaps your Honour will be pleased to appoint Wednesday next, as Mr. Stapleton, the present M.P. for Berwick, who was one of the directors to the close of the bank, has promised to attend for the purpose of being examined if that will suit the convenience of the Court.

The Commissioner—Very well.

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*Court of Bankruptcy, Basinghall-street, Wednesday, April 8.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

This was a meeting for the examination of the Hon. John Stapleton, formerly a director of the bank, and now M.P. for Berwick-on-Tweed.

Mr. Linklater appeared for the assignees, and Mr. Huddleston and Mr. Freshfield for Mr. Stapleton. Mr. J. Simon appeared to watch the proceedings on behalf of Mr. Hugh Innes Cameron, late manager of the bank.

Mr. Stapleton, examined, said he became a director on the 24th of July. Did not know by whom he was proposed as a director. On reference to minutes of the 21st July, he found he was proposed by Mr. M'Leod, and seconded by Mr. Esdaile. It was proposed by a gentleman in the City that he should join him; and, having time disengaged, he thought it desirable. Mr. Cameron then stated that the bank was virtually paying 12 per cent., 6 per cent. being carried to a reserve fund. He also said that new shares were being taken, and that the shares had been taken up readily by the public. He did not learn that Cameron was largely indebted to the bank, nor that Mr. Humphrey Brown was a debtor, nor of Mullin's debt, nor of



the Welsh works. The directors did not inform him of this. They allowed him to come in without making any communication upon the subject of the accounts. He subsequently expressed himself dissatisfied at the course they had pursued. He had warmly complained, more with reference to Cameron than with reference to the directors, of being deceived. He was not appointed one of the directors by the general meeting of the 3rd of August of that year; he was appointed a director by the Court of Directors, which was subsequent to that meeting. He was not appointed by the proprietors until February. On the 31st of July he accepted the office of director, and signed the ordinary declaration of secrecy. Shortly after he went to Scotland—it was not on a shooting excursion, but on a visit to Sir James Matheson. He saw Mr. Percival and Mr. Cameron there. He had read a letter in the newspapers from Esdaile to Cameron, dated the 17th of September, 1855. He knew nothing about that letter at that time. He recollected Mr. Esdaile coming to him and telling him that Mr. Cameron hoped that he would induce Sir James Matheson to join the bank, and to become its chairman, and he quite laughed at the idea, as he knew that Sir James only came to town to attend Parliament. He had read some letters of Mr. M'Leod's. Mr. Linklater then read a letter, dated "Royal British Bank, Tokenhouse-yard, Lothbury, October 2, 1855."

Mr. Linklater—Now, does that letter call to your recollection the fact that shortly prior to October the 25th, there was considerable uneasiness in the mind of yourself and the other directors of the bank?

Mr. Stapleton—Not in my mind. At that time I knew nothing at all about the affairs of the bank. It was not until very recently that I became aware of the contents of this letter. Allow me to explain. About the middle of the day we had lunch in a separate room, and then I and another went out, and it is possible that something might have been said or done while I was out at lunch of which I was totally ignorant until I looked at this record; and I have not the remotest recollection of anything that was done upon that occasion.

Mr. Linklater—It was something singular to find at a special court of directors no entry in the minute-book at all.

Mr. Stapleton—I did not make up the minute-book; that was made up subsequently by Mr. Paddison.

Examination continued—He did not look at the book, although it was lying on the table, as it was new to him, having just joined the concern. That book showed the state of the account at the Bank of England. He could not say when his attention was first called to Mr. Humphrey Brown's account, but he believed it was in November or December. It would be from hearing it casually mentioned in the board-room. He complained to Owen, and said if Mr. Owen would move for a committee, he would second it. De Tape's account had been mentioned about this time, and something had been said about the Welsh works. A special committee on the Welsh works was appointed. Cameron was the general manager, and he was in the habit of corresponding with Humphrey Brown and others who had accounts with the bank.

Mr. Linklater here read from a letter dated the 26th of November, 1855, from Mr. Cameron to Mr. H. H. Brown, marked "private," and commencing "My dear Mr. Brown":—

Being disappointed in not seeing you here to-day, as I expected, and fearing that I shall not to-morrow, being court-day, have time or opportunity for any deliberate conference with you, I must thus communicate with you on the subject on which I had wished you to meet me.



At the end of last year, the balance at your debit on drawing account here was £13,663 3s., and your past due bills amounted to £8,035, forming together a debt of £21,698 10s., exclusive of £5,561 16s. 3d. of current bills. I had for some time previously been pressing you personally and by writing to have this debt liquidated, and had your positive assurance that it would be so, and that you were in treaty for a loan of £20,000 for this purpose. I have just now before me a note from you from Tewkesbury, dated the 1st of December, 1854, saying that you were then in hourly expectation of a telegraph message from a party in town, who was sanguine of getting the money for you, and you sent me a note from another friend of yours dated the 30th of November, 1854, saying, that he was in communication with a gentleman to lend a similar amount.

But the year ended and the first month of 1855, leaving the above debt still as much as £19,898 3s. 8d., and the current bills £4,007 1s. 9d. I was then laid up by my severe and protracted illness, and after my being able to return to the bank in May, I found the sums standing at your name to be a debit balance on drawing account of £35,947 16s. 2d.; past due bills, £4,000; together, £39,947 16s. 2d., exclusive of convertible securities, £9,550, and discounts, £25,041 4s. 10d., or in all £74,539 1s. Before I went to Scotland, in autumn, your obligations were reduced £4,316 odd, and a portion of your debtor balance on drawing account, and some of your bills under discount, for which separate securities were taken from you, were transferred to your account of convertible securities; making the amount of advance under the latter head £33,745 18s. 10d., but diminishing your overdrawn balance to £21,634 17s. 10d., and your discounts to £7,137 15s.; leaving the gross amount of your obligations to the bank £70,222 8s. 4d. After my return from Scotland, I found your over-drawn balance increased between £6,000, and £7,000. Since then we have received £3,997 on your account from the agents of the *Hornet* in Liverpool, which has been placed to credit of your C. S. account, but we have had since to pay to the debit of this account £1,281 0s. 1d. for insurance.

In fine, your several accounts at present stand thus :—

1. Overdrawn balance on current account.....	£29,319	5	6
2. Past due bills .....	8,843	10	3
	<hr/>		
	£38,162	15	9
3. Convertible securities.....	£31,029	18	11
4. Discounts.....	8,506	12	6
	<hr/>		
	89,536	11	5

In all ..... £77,698 7 2\*

Examination continued.—A committee on convertible securities was appointed in November, and on the 17th of December that committee resolved :—

That the general manager do instruct the broker to sell the ships mortgaged to the bank as they come to port, and to communicate to the Court of directors any advantageous offer he might receive for the purchase of any of the ships, and that the solicitor be instructed to prepare such mortgages and assignments as might be necessary, and that the general manager be instructed to receive, for the benefit of the bank, any sums which might become due for freights or insurance of the said ships.

That resolution was his composition. The sum mentioned by Cameron was £77,000 or so,

Mr. Linklater—That rather startled you, I presume?

Mr. Stapleton—Well, it did.

Mr. Linklater—And it somewhat alarmed you, did it not?

Mr. Stapleton—It did.

Mr. Linklater—I suppose you learned what mortgages you held of H. Brown?



Mr. Stapleton here stated, the mortgages which the bank held. He found, with reference to several of the ships of which they held the mortgages, that they had been previously mortgaged. Mr. Brown always promised that he would see to this matter when he came to town to attend to his Parliamentary duties, when he would assign over all his property to the bank, except his household furniture. He could not say that the securities were insufficient to cover the advances to the extent of £30,000. Some of these ships had been previously mortgaged.

Mr. Linklater—Did you not take any pains to inquire whether these vessels were free or not at that time?

Mr. Stapleton—How could I inquire?

Mr. Linklater—By searching the register.

Mr. Stapleton—I never did that.

Mr. Linklater—With your legal knowledge, did you not consider it prudent to do so?

Mr. Stapleton—I was under the impression that Mr. Brown was a person of some respectability. In fact, if we had sent down to search the register, we should have struck a blow at his credit, to avoid which, my predecessors had not registered them. I was not on the direction at that time. If I had been, I should not have taken the mortgages.

Examination continued—Cameron had told him that the securities of Mr. Brown would about square his account, but he (Mr. Stapleton) had his misgivings. Mr. Brown's account had, previous to this, appeared in the green ledger, but he never saw it until he became deputy-governor. The porter was not instructed to bring up the green ledger several times by him for the purpose of going into the account. He did not think that Mr. Esdaille seriously contemplated retiring from the board about this time, although he said so in a pet if something was not done. The letters on this subject, dated the 15th July, 1856, were then read by Mr. Linklater.

Examination continued—At that time, the bank was not in a favourable position—he thought its difficulties might be overcome. He signed the certificate of the 16th of January to the Board of Trade, representing that the third thousand shares had been completed, and the £50 paid up. He was anxious, at that time, to get the certificate from the Board of Trade, so that they might publish their paid-up capital at the half-yearly meeting of the 3rd of February. On the 29th of January, a resolution of the board was come to to declare a dividend of 6 per cent. per annum. Mr. H. Brown was not present at that meeting, but he was on the 15th and the 22nd of January. He did not recollect Mr. H. Brown stating that it was not right to send forth a balance-sheet to the public which stated that provision had been made for bad debts. He did not recollect altering the report which had been prepared by the general meeting. De Tape's account had occupied his attention at the committee on convertible securities. He found that De Tape was indebted to the bank between £30,000 and £40,000, and he was under considerable apprehensions about it.

Mr. Linklater—Having regard to Mr. H. Brown's debt of £77,000, Mr. De Tape's and Mr. Rigby's of £40,000—these two alone—perhaps you will tell us how much provision you had made for bad debts in the half-year ending the 31st of December, 1855?

Mr. Stapleton—I cannot tell you.

Mr. Linklater—Some thousands?

Mr. Stapleton—I really do not know, but I suppose a few thousands.

Mr. Linklater—Then if I tell you that the total amount of provision for the half-year was £339 17s. you would be surprised?

Mr. Stapleton—I should be.



Mr. Linklater—If the general ledger states it, you would have no doubt about it?

Mr. Stapleton—I suppose not.

Examination continued.—The above advances, including advances also to the Welsh works, were about £190,000. These advances alarmed him at the time. He thought it was a nasty affair. These securities were incon-vertible, but he never opened his lips on the subject, as it was not his province. On February the 5th, he was appointed deputy-governor. On that day, advertisements were ordered to be issued in the English and Scotch papers of the intention of the board to issue new shares at a premium of £5. Soon after this he first became aware of Mr. Cameron's account, and he told Mr. Owen that he very much disapproved the general manager having a loan from the bank, and Mr. Owen concurred with him. He did not look at the green ledger until he became deputy-governor.

Mr. Linklater—Having become deputy-governor, the volume was open to you? (A laugh.)

Mr. Stapleton—It was; and I then found how Mr. Cameron's account stood.

Mr. Linklater—You found him to be indebted to the bank between £20,000 and £30,000, without security?

Mr. Stapleton—In a considerable sum. The securities held were of the value of about £1,000.

Mr. Linklater—And that was worse than all the rest.

Mr. Stapleton—It was far the worst.

Mr. Linklater—Did you not say to Mr. Esdaile and to the rest of the friends who had helped you into the bank that it was a very scandalous proceeding?

Mr. Stapleton—I expressed my opinion upon the subject.

Mr. Linklater—I will not say in unmeasured terms, but with some indignation?

Mr. Stapleton—In a proper manner.

Mr. Linklater—But with some indignation?

Mr. Stapleton—If you like.

Mr. Linklater—Is it so?

Mr. Stapleton—I did complain.

Mr. Linklater—With some indignation?

Mr. Stapleton—I don't know what you mean by "some" indignation.

Mr. Huddleston—Mr. Stapleton does not know what you mean by "indignation."

Mr. Linklater—Perhaps you will tell him. (Loud laughter.)

Examination continued.—Mr. Oliver's account came to his knowledge in the month of February, 1856, and there was an anticipated loss of a large sum, but he did not think to the amount of £13,000. Having access to the green ledger, he became aware that Mr. McGregor was indebted to the bank, and that there must be a loss of some thousands by him. About this time he became aware of the wife of Mr. R. Blacker, for whom they had discounted bills, having informed the bank that many of the bills were fictitious, and he was aware that there must have been a loss of £3,000 or £4,000 by those bills. He could not say how it was that while losses had been incurred to so large an amount, only a sum of 300 and odd pounds had been put to the account for bad debts. Although he was a member of the bar, he did not consider that this was a legal question, but a banking question.

Mr. Linklater—But you had recently purchased a banking dictionary? (Laughter.)

Mr. Stapleton—I had not purchased it.



Examination continued—He was aware of the 71st clause of the charter in respect of the bank ceasing business, when the bank lost one-fourth of its capital. Mr. Cameron had about this time threatened to call the attention of the Court because he had been dismissed.

A letter was here read, signed by witness, Esdaile, and Kennedy, of the 6th of March, addressed to Cameron, which pointed out the uncontrolled power he (Cameron) had over the funds of the bank, and required him not to overdraw his account without the consent of the directors. If Cameron's account was increased after that time, he should say that it was increased fraudulently. On the 6th of March, the balance to his debit was £2,600, Did not believe it was £3,988 in June. Saw the green ledger daily, and was sure it could not be so.

The ledger was here produced to witness, which showed the balance to be £3,988 in June.

The witness—He must have taken the moneys out and made the entries after the bank failed.

Mr. Linklater—You must be under great misapprehension there.

Reference was here made to Mr. Blacker having refused to take up shares after they had been allotted to him. Mr. Blacker was a very nervous man, and he did not consider him a good judge of banking affairs. (A laugh.) The money was returned to Blacker.

Mr. Stapleton here explained that the bank was considered to possess a valuable business, Cameron having told him that the goodwill of the bank was worth £50,000. He remembered Mr. Deputy Dakin being introduced one fine morning by a director (by Alderman Kennedy). He was proposed as a director by Mr. Kennedy, and seconded by the governor. All he told Mr. Dakin was that the bank had incurred some losses and considerable lock-ups, but that it would recover. Mr. Dakin thereupon qualified as a director by paying £1,000 for shares held by Mr. McLeod. He (Mr. Stapleton) had been ill-treated by being introduced into the bank. He had told Mr. Dakin of the bank having a prospect of losses from the Welsh mines, Humphrey Brown, and Cameron. Mr. Dakin attended a few days as a director, and had signed some of the minutes; but after having done, he wrote the following letter:—

London, 23, Abchurch-lane, March 10, 1856.

My dear Mr. Alderman,—I regret to say that a circumstance has occurred since I last met you, in connection with a company of which I am chairman, which will so alter my position with regard to it, and so occupy my time, that I am obliged to decline the honour of becoming a director of the Royal British Bank. I tried to see you on Saturday, but you had left the Court of Aldermen, to explain this matter to you, and which I propose doing when we next meet. As I am very sensible of the confidence reposed in me by you, and of the kindness of the board of directors in offering me a seat, subject to election by the proprietors, will you be the medium of communicating my views to the board, and assure them of my best wishes for the prosperity of the bank; and believe me, my dear Alderman,

Yours very truly,  
THOMAS DAKIN.

Mr. Alderman and Sheriff Kennedy.

Examination continued.—Mr. Dakin did not take up his shares, the amount being returned. He thought he was very lucky. (A laugh.)

Some evidence was here given, with a view to show that proceedings were contemplated against Mr. Dakin, with a view to compel him to pay the £1,000, and to resume his duties at the board. It was felt, however, that they had no power to do so; but he (Mr. Stapleton) felt that Mr. Dakin had been in a very false position in thus sitting at the boards.



Mr. Linklater—You thought that, having made his way in without much information, yet he had no right to get out. (A laugh.)

He remembered Mr. Gossett addressing a letter threatening to call a meeting unless his shares were purchased. He had declined to be a party to the purchase of those shares. There had been a discussion upon the subject with reference to the bank finding a purchaser. It was determined by them not to buy them. He knew, however, that Mr. Esdaile got his brother-in-law to purchase them. He denied most positively that he had himself sanctioned the purchase of those shares. Mr. Esdaile's memory had failed him if he stated to the contrary; and if blame attached to any one for that transaction, it was to Mr. Esdaile only. He remembered Mr. Gillott and others inviting an interview with the Court of directors by letter in the month of May. There were present at a meeting which was thereupon granted, Mr. Gillott, Mr. Mitchell, and Mr. Stewart, and another shareholder. He had no doubt that they referred to Mr. Humphrey Brown's account. Did not recollect it being stated that the bank would not sustain any loss by him. He should say certainly that no such representation had been made, but the fact of the question being asked made him suppose that it had been made. Humphrey Brown's was not, he thought, alluded to. The only one was Cameron's. As to Brown's, his mind was a blank. He thought the Welsh works were alluded to. He supposed the answer was given that was always given, that they were in hopes of disposing of them to a public company under the New Limited Liability Act. The directors said, he thought, that they were not at liberty to divulge what was the position of matters with reference to all the accounts, because it would be very unfair to the other shareholders to put these four gentlemen in possession of the state of affairs. Therefore he could only give them a very general statement. The word "divulge" would not apply particularly to the Welsh works, but to any interrogatory they might put. The applicants did not get the information they sought. They alluded to Cameron's account, and he told them Cameron was to leave the bank, which seemed to give them great satisfaction. If these four gentlemen said that not a word was said about Cameron's leaving, they were most mistaken, because he was as positive as he was sitting there that it was. He recollected the moment they had gone out of the room he went into the luncheon room, and Cameron came up to him in a furious and rude manner, and said "You are determined to destroy me," alluding to the statement he had made to those gentlemen. He did not remember it being stated in the presence of these four gentlemen that the bank would lose nothing by Cameron. His mind was a blank as to that.

Mr. Linklater—Was it not said that, notwithstanding the losses of the bank, they would be in a position to pay a dividend of 4 per cent?

Mr. Stapleton—I do not know that it was.

Mr. Linklater—My question is: Did not the Court of directors, or one of them, say in your hearing, that notwithstanding the losses of the bank, they should be in a position to pay a dividend of 4 per cent.?

Mr. Stapleton—They were, no doubt, told that a dividend of 4 per cent. would be paid; but I have no recollection of their being told that it was in a position to pay 4 per cent. My mind is a blank on that. There were three views on the subject:—Mr. Craufurd's wish was that we should pay the old dividend of 6 per cent. I told them I was anxious to have no dividend, but a call of 25 per cent., and the majority of the board struck the balance, as it were, between Mr. Craufurd and myself, by making a dividend of 4 per cent. I have no doubt, according to the manner in which Mr. Craufurd made up his books, that there were funds to make up that



dividend. If you were to adopt a different mode of bookkeeping, you would make it out that there were no funds to pay the dividend. Before our meeting in August—in fact, in the months of April, May, and June,—the *Joint-Stock Journal* had some articles about the bank. This called his attention to the affairs of the bank.

Mr. Linklater—I need scarcely ask you whether, in the months of May and June, you had not very serious apprehensions with reference to the position of the bank?

Mr. Stapleton—I had those apprehensions. There were some apprehensions of a run upon the bank at the time we had the interview with these four gentlemen, and we thought we were in a position of danger, but not in consequence of the *Joint-Stock Journal*, which did not bear a high reputation. In fact, our business was increasing. I know that a special meeting was convened to take into consideration the balance-sheet of the 30th of June. A report was drawn up by Mr. Craufurd. It is very possible that Craufurd had told him that included in the asset of £810,000 there were past due bills to the amount of £40,000, upon which no interest had been charged for upwards of two years.

Mr. Linklater—Do you remember any particular interview in the board-room when Mr. Paddison was present, when you questioned Mr. Cameron particularly with reference to certain transactions?

Mr. Stapleton—I did question him several times.

Mr. Linklater—How soon after the 31st of May did you make up your mind to dismiss Mr. Cameron?

Mr. Stapleton—I should say it would be towards the end of June.

Mr. Linklater—I want, if I can, to bring your mind to some particular interview in the month of June, when you inquired of Mr. Cameron, with reference to a sum of £3,500.

Mr. Stapleton—I do recollect that that was subsequent to his dismissal. I know what you are alluding to—these fictitious accounts coming to light. I merely wish to remind you, with reference to this report, that I objected to the payment of a dividend, and that I proposed that there should be a call of £25 per cent., and I thought if we got that money from our proprietors, we should be in a condition at all events either to transfer our business, or to merge our bank in some other bank, and by doing so we should be doing a benefit to our shareholders, and a much greater benefit to our depositors, by saving them all the inconvenience of a stoppage; because, however solvent a bank may be, a stoppage might be a source of ruin to a great many people, and all our exertions were directed to prevent the bank from stopping, on account either of its own investments or dirt that was thrown upon it by the journal you have alluded to. I objected to the dividend, and I proposed to have a call, but in both I was overruled. I should like to make one statement with reference to the manner in which these accounts have been made up. When I came into this bank, I had every reason to believe not merely that it was a profitable concern, but a bank that any person of honour might connect himself with. By degrees I began to find it was not so. I was desirous of getting myself disconnected with it, but I did not think that having been induced, however dishonestly by others, by trick, to become a trustee for others, that I should be acting honourably if I fairly sold my shares and held my tongue, as other people had done before me. I therefore determined, at some risk to myself, to endeavour if possible to get the thing set right. It was utterly impossible for me to do anything until I really knew the state of affairs. I do not believe any man of business could; certainly I could not through my own observation. The books would not have told it me, because they would not tell the value of



the securities. It depends upon the solvency of the persons to whom the money was lent; and so the first thing I thought to be done was to get rid of Mr. Cameron, in whom I had no confidence. The second thing was to appoint a person in whom I had confidence. I therefore struggled, with no one to support me, until I got rid of Mr. Cameron. Then I looked around for the best person to appoint. Our choice was very limited; but there were many circumstances which induced me to appoint Mr. Craufurd. What I had heard of him was favourable to his character. He himself was in a position to give a guarantee as to his respectability. I therefore placed it in his hands. If he had said you must not carry on this bank, we should not; instead of that, he, taking too sanguine a view, and he having had considerable experience, advised us to carry it on, and to pay a dividend of 6 per cent. I was opposed to it very much, but my objection was overruled. I thought that after this general meeting we should have had new directors and had new support, and the benefit of their commercial knowledge, and then we could reconsider the expediency of carrying it on. Moreover, we had the prospect of merging in some other bank. By and by, as my eyes became opened—(a laugh)—I found that we could not, and I was desirous of getting up this call, so that we, having £75 paid up, might be able to merge with another bank which had only £50 paid up, and in doing that I was incurring a personal risk and gaining nothing, but having most unceasing toil and anxiety. Again, in our negotiations with the London and Paris Bank (for that may be mentioned now) we were so thoroughly convinced that we were solvent, *quoad* our depositors, that we offered and had agreed with them to refer the state of our affairs to Mr. Gilbert, but they insisted upon inspecting our accounts themselves. Mr. Gilbert is a well-known gentleman—the well-known manager of the London and Westminster Bank. We thought they were asking too much. The negotiation was in that position when the run on our bank came, and the two banks came down together.

Mr. Linklater—Why did you not tell this to the shareholders at the general meeting on the 1st of August?

Mr. Stapleton—I never was authorised, either by the Court of directors or by any meeting of the company, and my conviction up to this moment is, that if this matter ever comes before a court of law, it will be decided that I had no authority to do so, according to my reading of the 29th clause of the charter. And let me say, if you were to adopt any other construction, all joint-stock banking would become impossible. Take any bank which has been recently established (with the exception, perhaps, of the London and Westminster and the Union) and let them get but one nervous or silly person into their direction, and he has nothing to do but to adopt the construction you put upon this charter, and to get up and make a statement to the court as to his apprehensions; you would then have a run on the bank and it would be ruined; and I believe that this 29th clause has been advisedly introduced in order to prevent this. I have read this over a hundred times. My impression may be wrong, but that is my view still, and I cannot understand it in any other sense.

Mr. Linklater—You do not mean to say that if false and fraudulent accounts are placed before a proprietary, you are to sit there and hold your tongue?

Mr. Stapleton—I did not say that. I had a course open to me, which, perhaps, I might have adopted. I might have retired and sold my shares, and disconnected himself with it. I did an injustice to myself. I am the only sufferer by remaining there, and being able to contribute towards the payment of the debts, there is an unmitigated advantage both to the shareholders and the depositors. I saw no other course.



Examination continued—He did not dissent from the report, as it was presented to the general meeting. He did not open his mouth at the general meeting. He did not believe that the assets of the bank had been fairly valued on the 30th of June, 1856, at £1,124,000. He could not give any idea as to what extent the figures were erroneous. He could not tell, when he attended the general meeting of the 1st of August, how much of the paid-up capital had been lost. Could not say whether they might have lost one-third. Had heard that Cameron offered to attend a general meeting on the 1st of August. He made the observation that he (Cameron), being no longer a shareholder or officer in the bank, had no business there. Knew, if he attended, he would not make a true statement. Did not know that Cameron was going first to Prussia and then to the East. He said he was going to Egypt.

Mr. Linklater—And so you let him go?

Mr. Stapleton—Yes. (A laugh.)

Mr. Linklater—You were glad to see him out of the bank?

Mr. Stapleton—We were glad to see his back turned—glad to get him out of the country. (Laughter.)

In further examination, Mr. Stapleton stated the circumstances attendant upon the proposed formation of the London and Paris Bank. There was to be a loan of money to be placed to the credit of the London and Paris Bank.

Mr. Linklater—Was not that loan by the Royal British Bank to be placed to the credit of the account of the London and Paris Bank, in order that they might go for their charter and say that the capital had been paid up?

Mr. Stapleton ultimately admitted that it was.

Mr. Thomas Craufurd, examined, said he was the accountant in the bank from February, 1853, to July, 1856, when he was appointed the general manager. He prepared the balance-sheet referred to of June last. The auditors did not ask a single question respecting this balance-sheet. If they had, he should have told them. If they had asked whether many of the bills had been bad for years, he should have referred them to Cameron. Many of the bills were bad, he admitted. That was the system of auditing introduced by Cameron, and he followed it up. He should be disposed to say now that the original object of such a system of auditing was to mislead. He introduced his balance-sheet to the directors with his own hands.

Mr. Linklater—Tell me, Mr. Stapleton, whether you saw such an account?

Mr. Stapleton—I do not recollect ever having seen the accounts.

Mr. Craufurd—It is very possible you never did see them, but they were placed on the board-table for hours, and were accessible to any one.

Mr. Linklater—Did you tell Mr. Stapleton anything with reference to the past due bills?

Mr. Craufurd—I said, "You are aware, gentlemen," addressing the Court generally, but more particularly the chairman, "you are aware, of course, that £42,000 worth of these bills bear no interest, and have not done so for two years." These four items—past due bills, the loan past due bills, the bills continued with collateral securities, and the suspension account—amounted to £160,000. It was 4 per cent. dividend that I recommended. It was a director who recommended a dividend of 6 per cent. Mr. Stapleton recommended the call of £25 per cent.

Mr. Simon applied for an intimation of opinion by the Court that Mr. Cameron should not be molested if he came forward to give evidence—of course not as against any criminal charge. Mr. Cameron was in very ill health.



Mr. Linklater said—These proceedings were all conducted under the direction of the Court, and he left it entirely in its hands.

His Honour said he could be no party to making a bargain with justice. Application refused.

Mr. Linklater said it was wished to examine Mr. H. Brown, Mr. Alderman Kennedy, and others, and he asked for an adjournment to a day convenient to the Court.

His Honour ordered an adjournment to that day fortnight, the 22nd.

*Court of Bankruptcy, Basinghall-street, Friday, April 17.—Before Mr. Commissioner HOLROYD.*

IN RE THE ROYAL BRITISH BANK.

This was a meeting for the proof of debts and declaration of dividend.

Mr. Linklater appeared for the assignees; Mr. Bagley, Mr. Roxburgh, and Mr. Amory appeared for creditors.

On an application by Mr. Roxburgh to admit proofs for money on behalf of Mr. Ramsay and Mr. Froud, as deposits on shares, which they had been fraudulently induced to subscribe for,

The Commissioner, after some discussion, said, I may state at once the ground on which it appears to me that no proof can be admitted under the bankruptcy. After the cases which have been determined at law, with regard to the liability of a shareholder who may have been induced to take shares by fraud or misrepresentation, it seems to me that a person who stands in the position of having been induced to take shares by the fraud or misrepresentation of an individual, whatever evidence you may have against that individual, who may have deceived you, you cannot have the right of proof against the partnership; and for this reason:—if he is liable as an individual partner to the creditors of the partnership, it seems to me it is quite clear he cannot prove against the partnership, which would be a proof against those who stand as creditors to him. Execution might issue against him as a shareholder who has appeared to the world as a partner, and, therefore, he is under all the liabilities of a shareholder. According to the ordinary rule in bankruptcy, a person in that situation cannot prove in competition with the other creditors.

Other claims were ordered to stand over.

Mr. Linklater said, on a previous occasion, Mr. Field (Sharpe, Field, and Jackson) appeared for upwards of seventy clients, who preferred claims to be admitted as creditors for the same reasons as those now given by Mr. Roxburgh on behalf of Mr. Ramsay and Mr. Froud. He (Mr. Linklater) had taken care that these claims involved an amount of £60,000 or £70,000. No examination of the directors should take place until they had been disposed of. He had received the letter (now read) from Mr. Sharpe, undertaking that the whole of the claims were relinquished with the exception of two. In the claims of these two shareholders, there were peculiar circumstances, It was to be regretted that Mr. Roxburgh did not take the same course as Mr. Sharpe. He (Mr. Linklater) now asked for an order in accordance with the contents of Mr. Sharpe's letter, relinquishing the claims.

The Commissioner made the required order.

Mr. Linklater—Sir, with reference to the position of the bank at present, it is important that I should communicate to you the result of the proceedings up to this day. The debts proved at the meetings previously had amounted to £514,124 17s. 6d. The proofs of to-day amount to about £4,000, and your Honour has permitted a claim to be entered of £5,000,



making a total of proofs and claims to-day of £9,000, so that the total amount already proved and claimed would be £523,000. A dividend has been already claimed of 5s. 6d. in the pound, and the assignees are in a position to-day to declare a further dividend of 2s. 6d. in the pound, and I am happy to say even the money assets of the estate are not yet exhausted, for if, with ordinary diligence, we have good luck, we hope to be able to make a further dividend of 2s. in two months, or even 2s. 6d., and I trust, even then, that the assets will not be exhausted. It is important that I should make this communication to the Court, because the forthcoming session of Parliament is one in which it will be incumbent upon those who have the interest of the creditors at heart, for the purpose of enabling the assignees, and those who are anxious to bring about some general compromise, to take measures for that purpose. It may be, and it has been, found exceedingly difficult, dealing with so many creditors and so many debtors to bring all to a common understanding, but we have succeeded in getting from certainly more than half the creditors, their assent to the compromise which has been proposed by the shareholders of 6s. 6d. in the pound beyond what the assets in bankruptcy will realise. The dividend which has been declared, and that which is to be paid to-day, will amount to 8s. The further dividend under this bankruptcy we have no doubt will amount to 2s. certainly, and, possibly, to 3s., and that will enable the assignees to make a dividend under this bankruptcy of 10s. or 11s. in the pound. If it were but 10s. in the pound, the 6s. 6d. which is offered by the shareholders, would increase the total composition to 16s. 6d. in the pound, and it certainly does strike one as being most desirable for the creditors, and certainly for the shareholders, to use their united efforts to bring about such a result; and the assignees have exerted themselves, and the committee of depositors have been unremitting in their duties for the purpose of aiding in this compromise, and it is hoped that no step taken by any person will have the effect of preventing that taking place. It is just possible that the unfortunate delay which has arisen from the dissolution of Parliament may have deprived some of the shareholders of the means of paying the contributions with which they might have been prepared. Even that, I hope, will not endanger the general result of it. Then I should hope Parliament would give us some power of dealing with a shareholder by himself, and enable us to discharge him from his liability to creditors generally; however much in theory it may have been considered good, inasmuch as it involves unlimited liability, it has been found, in practice, detrimental to the interests of those whom it was intended to serve. The result of the proceedings here, I have no doubt, will give satisfaction to the creditors. They will see that, with a certain dividend in bankruptcy, and of a fair prospect of that which will be got from the shareholders, it is their interest to withhold proceedings until those who have been intrusted with their interest in the end obtain that advantage for them which they have all long desired. The dividend, owing to the very great exertions that have been made by the official assignee, and I may say by Mr. Cooper and others in his office, have enabled us to say that, although the number of creditors is so large, the dividend will be payable on and after the 28th of April; and we shall have the use of the South Sea House, which has been sold for £11,000, the fittings being taken at £1,400. That £12,400 this day will not come into the present dividend, and, therefore, we shall have a certain further asset—an available ready-money asset. I have also the satisfaction of being able to say that a vessel belonging to Mr. Humphrey Brown, the "Ellen Lindsay," is on her way. We expect, from that and other securities, to realize £10,000 or £15,000 at a future



period, and, therefore, the prospects to which I have referred are exceedingly fair, and I hope may be realised at no distant period. We have had a most able and satisfactory report from surveyors of considerable eminence—auctioneers, with reference to the the Welsh works, and we are not without hope that a sum exceeding, possibly, £40,000, if we should be fortunate, will be realised for the estate. If we were so successful, the dividend which I have mentioned would be increased, because there are other debts outstanding which, possibly, by very good fortune, might increase the dividend for this estate even to 12s. in the pound. I am quite sure the assignees will spare no pains to bring about so desirable a result. It will be one which I think will be creditable to the administration in bankruptcy, one for which we have all fought very eagerly. Your Honour was pleased to name Wednesday next for the examination of Mr. Alderman Kennedy. Mr. Alderman Kennedy is abroad, and unable to attend on Wednesday, and it is considered desirable to delay Mr. Humphrey Brown's examination till after Mr. Alderman Kennedy's; but he proposes to be here on the 29th. The time will not be lost, because we have the exceedingly important duty of examining the auditors and accountants, and there will be also, in consequence of the singular and extraordinary statement of Mr. Stapleton, necessarily, a short further examination of him. I do not want to say more upon it at present, but I propose, with your Honour's permission, to proceed on Wednesday next with that examination, for the purpose of showing that some of the statements have been without foundation. The 30th inst. is appointed for the last examination, and the assignees had hoped that the balance sheet would have been prepared and filed by that time. I have no doubt the accountant, who has been employed by the assignees for the purpose, has found his duties exceedingly laborious, and no doubt he has been diligent in the preparation of it; but, having regard to the several periods at which rests have to be made, he has found it impracticable to file it. I am told that a very few days will see it completed, but I can scarcely hope that there will be sufficient time between this and the last examination to allow the assignees to give it that attention which, undoubtedly, it would receive at their hands.

The Commissioner—There is only one thing that one desires could have been added to the statement made by Mr. Linklater—that 20s. in the pound would be paid, which, in the case of a joint-stock bank, the public always expects should be realised. Looking at all the circumstances of this unfortunate case, it may be desirable that the compromise should be carried out, which is, perhaps, more than we might, at one time, have been led to anticipate.

Mr. Linklater—That is so, sir. The great mistake which the shareholders made was in not coming forward at once with such a sum of money as would have prevented the sacrifice of their property; it would have been undoubtedly the best policy, and would have been the most honest. There is an additional advantage which the assignees have now which they did not possess before, namely, the assistance of Mr. Wyld, one of the members for Bodmin, who has promised his assistance in conjunction with the Attorney-general, for the purpose of promoting the promised measure.

The dividend of 2s. 6d. in the pound was then ordered to be paid.

[Owing to pressure on space, we are compelled to postpone the further examination of the Hon. Mr. Stapleton, M.P., of Mr. Craufurd, the manager at the time the bank stopped payment, and of Mr. Page and Mr. Chandler, the auditors.]

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### THE RAILWAYS OF THE UNITED KINGDOM.

ALTHOUGH the fluctuation in British Railway shares during the past half-year have not been so great as might have been anticipated, from the generally disorganised state of the money markets, both here and on the Continent, still the extreme prices touched have left a sufficient margin for speculation, which, in some few instances, has been taken advantage of, though certainly not to anything like the extent that might have been anticipated, when former periods of excited money markets are taken as the criterion. This may be attributable to various causes, and, amongst them, to the more settled and defined system of management which generally prevails, thereby rendering the dividends steadier and more certain, and consequently making this class of securities more sought after as permanent investments; and to the fact that so many new schemes for colonial and foreign lines have been introduced, offering a wider field for speculation, and which has naturally been taken advantage of by the jobbers and dealers. The results of the half-yearly meetings just concluded have generally been very satisfactory, particularly as regards the dividends declared, the increase shown in the traffic receipts, and the gradual reduction in the expenditure. It is gratifying to find that the apathy so long exhibited by the holders of railway securities, with respect to the reckless conduct pursued by some of the directorates, and which tended, more than anything else possibly could, to deteriorate the marketable value of the immense property over which they had almost unlimited control, has at length given place to a more determined course of action, the effects of which are already visible in the realisation of improved dividends, and will continue to develop themselves in proportion to the pressure exercised upon the directors.

With the exception of the London and North Western, the Great Northern, and the Eastern Counties, there has been nothing in the meetings just terminated to call for particular remark. The novelty with respect to the London and North Western was the declaration of a larger dividend than that proposed by the directors, and which they were eventually compelled to accede to. Whether the course adopted by the shareholders was politic, under the circumstances, is a question which might admit of some doubt; but inasmuch as the directors did not seem to think their resignation a necessity, it is to be presumed that they saw their way, not only of paying the increased dividend, but also of carrying the affairs of the company with the means at their disposal. The proposition of the directors was a dividend at the rate of 2½ per cent. for the half-year; but a 3 per cent. dividend was carried, the amendment being proposed by Mr. Hadfield, and seconded by Mr. Dickenson. As regards the Great Northern meeting, the whole discussion turned upon the Redpath forgeries, in the course of which some very severe remarks were made upon the want of circumspection—to say the least of it—in the management, in permitting such gigantic frauds to have been so long perpetrated without detection.



Under any circumstances, such acts would naturally excite indignation; but there can be no doubt that the indignation was heightened by the fact of half the earnings, and something considerably more, having to be appropriated towards the liquidation of the liabilities left by Redpath as a legacy, instead of going into the pockets of the shareholders in the shape of a dividend. After a very warm discussion, it was decided to leave the matter in the hands of the directors, to do their best in order to get out of the difficulty. We have already, in previous numbers, devoted considerable space to these "untoward" transactions; but the following history of their connection with Redpath, given by the directors themselves in their report to the shareholders, will complete the narrative. After giving an account of the registration office, the introduction and appointment of Redpath thereto, and the principal duties of the registrar, the directors say:—

Mr. Clark had been appointed registrar in July, 1846, at £600 a-year, and left the service of the company in the spring of 1854, during which time Redpath was chief clerk, and having conducted himself apparently with regularity and propriety he appeared to the board to be a suitable person to succeed Mr. Clark, and he was therefore promoted to be registrar, at a salary of £250 per annum, in March, 1854. About the time of his appointment as registrar, it was reported to the directors that Redpath was a person of good circumstances, realised by successful dealings in reversionary and other speculative securities, but that, satisfied with his success, he had ceased to speculate. The directors having exacted a promise from him that he would strictly abstain from speculating in shares or stock of any description, he was appointed registrar. In January, 1856, the secretary communicated to the chairman that he had been informed there was a discrepancy between the stock registered and the money represented to have been received on account of the same in the accountant's books, and that he had consequently called upon the registrar and the accountant for a statement of the amounts of stock and dividends appearing in their respective books. On the 17th and 18th of October, the secretary produced to the chairman returns which he had required the registrar to furnish, and which showed that stock to the amount of about £137,000 was registered in excess in the books of the company. A statement of the dividends paid, obtained from the accountant, confirmed this alarming communication. It appears that in several years during which Mr. Clark was registrar a large number of forgeries were committed by Redpath, which were not discovered till the end of 1856. The directors remark that if Mr. Clark had regularly examined the transfers of stock and the registration books so as to produce at the end of each half-year a really accurate "register of shareholders," there could be no doubt that the greater part if not the whole of Redpath's forgeries would have been prevented or discovered long ago. It appears that Mr. Clark, on retiring from the service of the company, received £875 as compensation. Mr. Clark, in a letter to the directors, has fully and completely replied to their allegations, and clearly shown from the constitution of the registration-office, and the want of sufficient assistance, that no blame whatever attached to him; and that before his retirement he had instituted an investigation that would have discovered these discrepancies or frauds if he had been allowed to complete it. A list of purchases and sales effected by Messrs. Field, Son, and Wood, stockbrokers, of Warrford-court, for Redpath, extends from June, 1848, to October, 1856, and embraces 365 distinct sales of Great Northern stock, to the amount of



£206,047 10s., and 131 purchasers, amounting to £48,800. The result of the most careful examination of the company's "register of stocks," &c., which time and circumstances have permitted since the discovery, in November last, of these transactions, shows that stock to the amount of about £220,000 has been fraudulently issued by Redpath. From the opinion of eminent counsel it appears that a dividend cannot be legally or safely paid at present upon any description of stock, or until provision be made for purchasing up and extinguishing stock equal in amount to the stock so fraudulently created and issued. They think, however, that much controversy and expense would be avoided if the holders of stock would agree to apply to Parliament for a bill to legalise the stock as now existing, and the payment of dividends thereon, and in the meantime authorise the directors to pay dividends on all the stock.

The only novelty in the Eastern Counties meeting was that it passed over without the slightest disturbance, and with very little discussion. Mr. H. Love, the successor of Mr. Waddington, as chairman, was very well received, and a general disposition was shown to give him an opportunity of retrieving the errors committed by his two predecessors.

The Government official report respecting railways for the half-year ending December last, has not yet been published, but a very interesting paper on the subject of accidents on railways during 1856, by Capt. Galton, R.E., addressed to the Board of Trade, has just been issued, which states that :—

In 1856, the large number of 281 persons were killed and 394 injured on railways in Great Britain and Ireland. Of this number, 112 persons have been killed and 16 injured who were neither passengers nor servants of the railway companies; 142 killed, and 80 injured, were servants of railway companies, or persons employed on the railway under contractors; 27 killed and 298 injured were passengers. A further classification of the killed or injured who were neither passengers nor servants of the companies shows that two of those who were killed committed suicide. Sixty-seven were killed and seven injured while trespassing on railways. Twenty-eight persons were killed and two injured at level crossings. One person was killed and two were injured whilst standing on a bridge which was struck and thrown down by a load on a train. One person, not in the service of a company, was killed by the breaking of the chain of a crane, with which he was loading stones at a station. Eleven persons who had come to railway stations on business were killed and five were injured from being run over or struck by trains in motion. Of the 142 railway servants killed and 80 injured during the year, 30 were killed and 46 were injured from causes beyond their own control, and 112 were killed and 34 were injured owing to their own misconduct or want of caution. From the reports on these cases furnished by the railway companies to the Board of Trade, it would appear that of those servants of companies or of contractors who suffered from causes beyond their own control, 20 were killed and 39 injured from accidents to trains or engines, two were killed and two injured whilst shunting trains, and seven were killed and five injured from being run over or struck by trains whilst in the proper performance of their duties, and one man, a guard, was killed in consequence of coming in contact with a bridge. Of those servants who suffered from want of caution, or misconduct on their own part, 5 were killed and 3 injured from accidents to trains, caused principally by their misconduct; 12 were killed and 7



injured by being crushed between buffers, or run over whilst coupling or uncoupling carriages or waggons in motion; 45 were killed and 2 injured whilst crossing or standing upon the railway, 10 were killed and 4 injured while shunting trains, 12 were killed and 6 injured whilst working upon the line—these were principally plate-layers and labourers; 26 were killed and 12 injured by falling from or in attempting to get upon or off trains in motion, and two guards were killed by coming in contact with bridges. A large number of servants of railway companies suffer annually from being crushed between the buffers of carriages and waggons which they are employed in coupling together. The system in use on railways in this country for connecting carriages and waggons in a train has some imperfections which are further alluded to in a subsequent place. Of the passengers who suffered on railways, 8 were killed and 282 injured from causes beyond their own control, and 19 were killed and 16 injured from want of caution on their own part. The accidents by which passengers were killed from causes beyond their own control, are as follow:—In England one passenger was killed on the East Lancashire Railway, in consequence of a train leaving the rails at a contractor's temporary crossing on a curve, on the Bacup Branch near Alderbottom, owing principally to a defective check rail. One was killed at the Albion station on the Stour Valley section of the London and North Western Railway, in consequence of a collision between a passenger train and a goods train. One was killed at the Denton Station on the London and North Western Railway, in consequence of a collision between an engine and a passenger train. Two were killed on the Newport, Abergavenny, and Hereford Railway, in consequence of an express train leaving the rails when passing round a curve near the Nantyderry station, when some of the carriages being thrown on to the adjacent line of rails, were run into by a goods train which approached in the opposite direction. Two were killed in consequence of a collision between a goods train and a passenger train, which was being sunted at the Church Fenton Station on the North Eastern Railway. Under this head also may be classed a female passenger who was killed whilst crossing the Manchester, Sheffield, and Lincolnshire Railway at the Cottam Station.

In Scotland and Ireland there were no passengers killed from causes beyond their own control.

Of the 282 passengers injured from causes beyond their own control, 257 were injured in consequence of collisions between the trains in which they were being conveyed and other trains or waggons, 5 from trains entering stations at too high a speed, 19 from accidents to machinery, and one was injured from stepping out of a train which had stopped on a bridge before arriving at a station, and falling over the parapet. It will be seen by the foregoing statement of the accidents to passengers from causes beyond their own control, that, with the exception of one passenger killed and one injured, the whole were killed and injured from accidents which happened to trains. The proportion of passengers who have been killed and injured, to the number of passengers conveyed on railways during the year, cannot be shown, inasmuch as the traffic returns for the half-year ending the 31st of December, 1856, have not been received from the railway companies.

The Board of Trade deemed it necessary to cause inquiries to be made by the inspecting officers of this department into the causes of 71 accidents during the year 1856. Of the 71 accidents which have been reported upon by the inspecting officers during 1856, it would appear that in seven cases only were the accidents attributable to circumstances which could not be guarded against; and that in only three of the cases were the accidents solely to be attributed to such circumstances. In 27 instances, the negli-



gence of the inferior servants entered into the cause of the accident, but only six of these cases were attributable solely to negligence. The remaining causes of accident may be classed under the following heads:—Defects in the construction of works or rolling stock; insufficiency of accommodation or of appliances for safety; insufficient staff; inadequacy of the system of working.

The principal causes of accident under the several heads are exhibited by Captain Galton as follows:—To defects in the construction of works or of rolling stock; the inadequacy of means for securing safety; insufficiency of staff; and the negligence of servants.

#### ENGLISH LINES.

**LONDON AND NORTH WESTERN.**—The total receipts of this company, for the half-year ending the 31st December last, were £1,740,744 against £1,664,073 in the corresponding half-year of 1855. The expenditure of the past year amounted to £676,246 against £651,180 in 1855. Out of the profits in 1855 £640,516 was appropriated to the dividend, and £48,511 carried over. Last year the dividend was to have been at the rate of  $5\frac{1}{2}$  per cent. per annum, being  $\frac{1}{4}$  per cent. more than in the previous year; but the shareholders, at the meeting, proposed a dividend at the rate of — per cent, and carried it against the directors. The number of miles yielding traffic and maintained at both periods was 562. The total capital of the company at the present time is £33,669,415, last year it was £33,472,480.

**GREAT WESTERN.**—The capital of this company in 1855 was £25,382,501, and last year it was £23,019,062. The total receipts during the past half-year were £795,353 against £734,753 in 1855, and the expenditure at those respective periods was £309,350 and £296,426. The sum of £123,544 was appropriated to the dividend last year, which was at the rate of 3 per cent. per annum, leaving a balance of £17,278, whilst in 1855 a dividend at the rate of only  $2\frac{1}{2}$  per cent. per annum was paid, carrying over a balance £16,160.

**GREAT NORTHERN.**—The gross earnings of this company for the half-year were £650,337, being an increase of £21,418 above those of the corresponding period of 1855. The gross expenditure of the half-year was £305,358, or less by £2,724 than for the same period of 1855, leaving a balance of £344,976, being an increase of over £24,205 that of the corresponding period of 1855. To that sum is added £155 from last account, and £8,400 for rent of Royston and Hitchin, making a total of £353,535. From this is deducted £109,611 fixed charges, rents, and interest on debt, being an increase of £6,369, and leaving £243,925. This would have enabled the directors, under ordinary circumstances, to propose a dividend, which, added to that declared in August last, would make the whole years' dividend amount to 5 per cent. upon the whole of the legal stock of the company; but, in consequence of the defalcation and forgeries of Leopold Redpath, it was deemed prudent to withhold the dividend and apply the proceeds to the liquidation of the deficiency so created.

**LONDON AND BRIGHTON.**—The total capital of this company in 1855 was £7,722,715, the receipts were £396,980, and the expenditure £182,159. Out of £164,160, a dividend at the rate of £4 8s. 4d. per cent. per annum was paid, leaving a balance of 6.913. Last year this capital was £7,759,415, the receipts were £433,572, and the expenditure £183,450. To the next account £4,401 was carried forward, after paying a dividend at the rate of 6 per cent. per annum, amounting to £161,649. In 1856, the number of miles worked was 183, and 181 in 1855.

**SOUTH EASTERN.**—This Company's dividend for the past half-year was at the rate of 5 per cent. per annum which absorbed a sum of £185,842, leaving a balance of £1,561 to be carried to the next account. Last year the dividend was at the rate of  $4\frac{1}{2}$  per cent., which absorbed £164,160, leaving a balance of £6,913.



The receipts show a decrease in the past year of £2,069, having amounted to only £583,543.

**LONDON AND SOUTH WESTERN.**—The capital account of this company showed that £9,346,424 had been received, and £9,278,934 expended, leaving a balance of £67,490. The receipts have increased from £449,466 to £488,157, and the expenditure from £156,664 to £197,003. The dividend has also been augmented from 5½, to 6½ per cent. per annum, the length of the lines worked has been the same, viz. 271 miles. The balance carried to the next account was £7,042.

**LONDON AND BLACKWALL.**—In 1855 the capital was £1,900,933, and in 1856 it was £1,721,836. In the former year the net revenue was £23,896; in the latter the receipts were £43,135, and the expenditure £18,999. The dividend for the past year was at the rate of 3s. 6d. per share, and in 1855, it was also at the rate of 3s. 6d. per share.

**EASTERN COUNTIES.**—The total receipts of this company, were in 1855, £679,358, and in the past year, £717,856; the expenditure in the same periods having been £277,645 and £374,383. In the past year £65,628 was taken to pay a dividend at the rate of 4s. 6d. per share, carrying over £5,868; and in the past year the dividend was at the rate of 5s. per share, which absorbed £72,920, leaving a balance of £7,518. The capital account showed that £11,110,323 had been received, and £10,996,098 expended, leaving a balance of £114,225.

**EAST LANCASHIRE.**—The receipts for the half-year ending the 31st December, amounted to £179,769 and the expense to £78,093. Out of this was deducted a dividend at the rate of 5 per cent. per annum, leaving a balance of £1,893. The increase in the receipts was 11·58 per cent. as compared with those of the corresponding period of 1855.

**BRISTOL AND EXETER.**—The total capital in 1855 was £3,709,645, and in 1856 £4,297,600; the receipts in the same period were £173,481 and £179,505; the expenditure was £81,527 and £82,227 respectively. There has been hitherto a dividend at the rate 4½ per cent. per annum, but for the past half-year it was at the rate of 5 per cent. At both periods the mileage was the same—viz., 117.

**BIRKENHEAD, LANCASHIRE, AND CHESHIRE JUNCTION.**—This company's capital has been increased during the year from £2,256,598 to £2,318,105. The revenue receipts have increased from £67,203 to £70,506. The dividend has been increased from 2 to 3½ per cent. The balance carried over in 1855 was £2,276, and in the past year it was £1,407.

**BLACKBURN.**—This company has not yet paid any dividends. The present amount of capital is £1,060,280; in 1855 it was £1,057,249. The receipts have decreased during the year from £23,741 to 22,961. Miles of line open, 26½.

**CHESTER AND HOLYHEAD.**—There has been no dividend declared by this company. The receipts have increased during the year from £130,333 to £139,130, and the expenditure from £64,750 to £70,728. The capital at present is £4,339,178. Length of railway, 104 miles.

**EASTERN UNION.**—This company paid a dividend last year at the rate of 4·5ths per cent. per annum, and this year it was at the rate of 3·5ths per cent. per annum.



The capital has been increased during the year from £2,921,840 to £3,000,848, This line is now amalgamated with the Eastern Counties.

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**EAST LANCASHIRE.**—The receipts of this company have increased from £158,111 to £179,769, and the expenditure from £75,925 to £78,093. The dividend in 1855 was at the rate of  $3\frac{1}{2}$  per cent. per annum, and for the past year at the rate of 5 per cent. In 1855 the balance carried to the next half-year and the reserve fund was £61,357, and in the past year it was £1,893.

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**WHITEHAVEN AND FURNESS.**—The capital in 1855 was £478,100; last year it was £411,523. The receipts show a decrease from £9,976 to £7,518; and the expenditure a decrease, being £4,470 against £4,971. The dividend for the past half-year was at the rate of 5 per cent.

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**KENDAL AND WINDERMERE.**—For the half-year ending the 31st of December, £228,678 was received, and expended on capital account. The receipts for traffic during the half-year amounted to £7,328, and the expenses to £2,502, leaving £4,826. Out of this sum is deducted £1,247 for interest on loans and preference shares, leaving a balance of £2,138 available for dividend.

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**LANCASTER AND CARLISLE.**—The capital account shows that £1,616,161 had been received, and £1,602,690 expended, leaving a balance of £13,470. The revenue account for the half-year ending the 31st of January shows that £166,668 had been received, and £69,159 expended, leaving a balance of £97,509. The dividend was at the rate of 8 per cent. per annum, in 1855 it was  $7\frac{1}{4}$  per cent.

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**LANCASHIRE AND YORKSHIRE.**—This company have increased their dividend this year from after the rate of  $4\frac{1}{2}$  to 5 per cent. The balance carried over in 1855 was £4,611, and last year it was £10,509. The capital shows an increase from £12,720,448 to £12,832,847. The receipts present an increase from £542,294 to £592,180, and the expenditure an increase of £11,424 over that of the previous year. The length of working railway shows an increase from 270 to 286 miles,

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**MIDLAND.**—The capital of this company shows an increase in the year from £19,954,277 to £20,275,328, the receipts show an increase in the half-year of £42,611, and the expenditure an increase from £256,368 to £269,607. The balances carried over show a decrease from £33,802 to £16,006. Last year the dividend was at the rate of  $3\frac{1}{2}$  per cent. per annum, and in the present year it was only  $2\frac{1}{2}$  per cent.

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**NORFOLK.**—The dividend in 1855 was at the rate of  $2\frac{1}{2}$  per cent. per annum, and in 1856 at 4 per cent. per annum. The receipts show a slight increase, and the expenditure a decrease.

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**NORTH EASTERN.**—The receipts amounted to £932,829, against £963,397 at the corresponding period of 1855. The expenditure amounted to £455,716 against £450,100, showing an increase of £5,671, leaving the net receipts £477,057 against £453,296, and the increase of £23,761 in the net receipts as compared with the corresponding period of 1855. The disposable balances on the Berwick and York revenue accounts, after paying all preferential charges, amount to £165,335 and £64,593 respectively. The dividend on the Berwick shares were at the rate of  $4\frac{1}{2}$  per cent. per annum, and on the York Stock at the rate of  $3\frac{3}{4}$  per cent. per annum, leaving balances of £11,051 and £4,242. The Leeds revenue account showed an available balance of £14,568 after paying the dividends upon all classes



of preference shares, which would discharge the whole of the remaining arrears of dividends amounting to £14,341 on the preferential stock of that section, and leave a balance of £227 to the next account. The capital account showed that £14,259,535 had been received on shares, and £6,645,891 on loans; total, £20,905,426. The amount expended on the Berwick capital account was £11,357,990; on York accounts, £5,868,532; on the Leeds capital account, £2,657,691; on the Malton capital account, £320,626; and on the joint capital account, £882,856; total, £21,087,685, leaving a balance against the company of £382,259.

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**NORTH STAFFORDSHIRE.**—The capital of this company has remained during the year at £5,820,000. The receipts show an increase from £180,596 to £194,704, and the expenditure shows a slight decrease. In 1855 the dividend declared was at the rate of 2 per cent., and a balance carried forward to the next half-year and the reserve fund of £68,454. Last year there was a dividend declared, at the rate of 3½ per cent. per annum, and the balance carried forward £2,714. The length of lines is 233 miles.

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**NORTH-WESTERN.**—This line which is worked by the Midland Company, paid in 1855 a dividend at the rate of ¾ per cent. per annum; but this year the dividend was 2s. 3d. per share. In 1855, the receipts were £27,355, and the expenditure £14,173. Last year, the receipts were £27,256, and the expenditure £14,320.

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**OXFORD, WORCESTER AND WOLVERHAMPTON.**—Capital in 1855, £3,930,548, and in 1856, £4,060,187. Receipts in 1855, £102,017, and the expenditure £54,876. In 1856, the receipts were £111,773, and the expenditure £56,931. There was no dividend declared in 1855, but last year it was at the rate of 6 per cent. per annum.

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**SOUTH DEVON.**—Capital in 1856, £2,279,681; dividend at the rate of 12s. 6d. per share. In 1855, the capital was £2,101,563, and the dividend 7s. per share.

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**SOUTH WALES.**—Capital in 1855, £4,045,774; receipts, £163,016; expenditure, £87,855; dividend at the rate of 3 per cent.; balance carried forward, £11,041. In 1856, the capital was £4,149,059; the receipts, £180,037; the expenditure, £100,014; dividend at the rate of 4 per cent. per annum, with a balance of £4,016 carried forward. Length of line 162 miles.

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**SOUTH STAFFORDSHIRE.**—The capital account showed that £1,244,386 had been received, and £1,230,695 expended, leaving a balance of £13,691. The general revenue account from the 1st of August, 1850, to the 31st of January, 1857, showed the receipts to have been £342,355, and the payments £302,470, leaving a balance of £39,884. The dividend was at the rate of 4 per cent.

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**SOUTH YORKSHIRE.**—The accounts showed a gross revenue of £68,590 15s. 1d., and a total expenditure of £28,952 5s. 5d., leaving a net balance of £39,633 9s. 8d. The dividend was at the rate of 4 per cent. per annum on the ordinary shares, leaving a balance of £712 0s. 9d. to be carried to the next half-yearly account.

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**TAFF VALE.**—The dividend for the year 1855, was at the rate of 7½ per cent. per annum, but was increased to 8 per cent. for the past year. The receipts show an increase from £103,373 to £115,095, and the expenditure from £56,267 to £63,746. The capital also shows an increase from £1,032,006 to £1,134,600.



**VALE OF NEATH.**—The dividend in 1855, was at the rate of  $3\frac{1}{2}$  per cent., and for the past year at  $4\frac{1}{2}$  per cent. The receipts show an increase from £32,152 to £39,089, and the expenditure a slight decrease.

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### SCOTCH LINES.

**SCOTTISH CENTRAL.**—The expenditure on capital account, during the past half-year, was £21,849. The dividend was at the rate of  $5\frac{1}{2}$  per cent. per annum, leaving a balance of £1,488. The capital account shows that £1,804,103 had been received, and £1,812,699 expended, leaving a balance of £8,596 against the company. The revenue account for the half-year ending the 31st of January showed that £78,395 had been received, and £34,354 expended, leaving a balance of £44,041.

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**NORTH BRITISH.**—The balance-sheet for the half-year ending the 31st of January, 1857, shows a total receipt of £189,453, being an increase over the receipts of the corresponding period in 1856, of £2,942. The balance of revenue was £56,667. This sum, after paying 5 per cent. dividend on the guaranteed stock (£21,992), allowed a dividend at the rate of  $2\frac{1}{2}$  per cent. per annum on the ordinary stock (£31,276), and left a balance of £3,399 to be carried over to the ensuing half-year.

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**SCOTTISH NORTH-EASTERN.**—The receipts for the half-year ending the 31st of January last amounted to £89,883, and the working expenses to £43,568, leaving a balance of £46,315. Of this sum the Aberdeen Company takes £32,420, and the Scottish Midland £13,894. The full dividend was paid on the 6 per cent. Aberdeen preference stock, and on the Scottish Midland stock a dividend at the rate of  $\frac{1}{2}$  per cent. per annum, leaving £392 to be carried to the reserve fund. The expenditure on capital account to the 31st of January last, in respect of the Aberdeen line, amounted to £1,856,034, and of the Scottish Midland to £667,407; together, £2,523,441. The expenditure on the joint account amounted to £119,555.

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### IRISH LINES.

**BELFAST AND COUNTY DOWN.**—The receipts for the half-year exceeded those of the corresponding period of 1855 by £768. The traffic on the line had increased from £11,733, in the year 1851, to £14,490 in the year 1856. The balance-sheet showed a profit of £4,406 for the half-year. A dividend of 15s. per share was declared, leaving £146. The capital account showed that £270,042 had been expended, leaving a balance of £13,519.

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**DUNDALK AND ENNISKILLEN.**—The receipts amounted to £11,818, against £10,149 at the corresponding period of 1855, showing an increase of £1,668. There was a balance applicable to dividend of £2,457, after paying interest due on advances and dividend on the preference shares. The usual dividend of 6s. was declared, leaving a balance of £743. The capital account shows that £488,533 had been received, and £486,375 expended, leaving a balance of £2,158.

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**IRISH SOUTH EASTERN.**—The dividend was at the rate of  $3\frac{1}{2}$  per cent. per annum on the paid-up capital of the company, leaving a surplus of £406 5s. 9d.

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**MIDLAND GREAT WESTERN.**—The receipts amounted to £79,459, and for the corresponding period of 1855, to £63,758, showing an increase of £15,701. The total income for the half-year amounted to £92,182, and the disbursements to £49,752, leaving a balance of £42,430. The dividend was at the rate of 5 per cent. per annum, free of income-tax, amounting to £28,915, and leaving £2,678 for the



next account. The capital account shows that £2,463,156 had been received and expended.

**GREAT SOUTHERN AND WESTERN.**—The receipts amounted to £184,484, against £180,295 at the corresponding period of 1855, showing an increase of £4,189. The net surplus revenue for the half year amounted to £93,192, out of which a dividend at the rate of 6 per cent. per annum on the original stock was paid, leaving a balance of £18,192. The total loss to the company from the frauds of the late transfer clerk amounted in stock to £38,091, and in dividends to £1,105, together £39,196. The capital account shows that £4,235,459 had been received, and £4,250,386 expended, leaving a balance of £14,927 against the company.

**LONDONDERRY AND ENNISKILLEN.**—The receipts amounted to £19,162, and for the corresponding period of 1855 to £18,459. The working expenses for the past half-year were £9,354, against £9,595, showing an increase of £703 in the receipts, and a decrease of £241 in the expenses. The net profit on working in the year 1855, amounted to £12,559, and in 1856, to £16,499. The full dividend on the 6 per cent. £10 shares, and 4 per cent. on the 5 per cent. £12 10s. preference shares was paid. The expenditure on capital account amounted to £685,635.

**ULSTER.**—The earnings during the half-year amounted to £37,973 19s. 4d.; the working expenses to £14,119 15s. 2d.; and the interest, £4,767 13s. 5d.; leaving a disposable balance of £19,086 10s. 9d. Out of this sum a dividend of 30s. per share, being after the rate of 6 per cent. per annum, was declared, leaving £4,550 6s. 9d. to be carried to the reserve fund.

## Banking and Commercial Law.

### ON THE EFFECT OF ENTRIES IN PASS-BOOKS.

It is certainly the law of England that a party is not bound by a mistaken or erroneous entry, whether it be signed or unsigned, except under well defined and peculiar circumstances. Even a deed under hand and seal may be rectified. This may also be the law of Scotland, but if we rightly understand a case which will be found in the *Law Times*, of March 7th, 1857, it is doubtful whether it is so or not, and moreover if the law be so, it requires some legal machinery to effect the result which seems to us ought not to be necessary. The *Law Times* says:—"A question of great interest, and pronounced by the judges to be the most important that had ever come before them, has been lately decided by the Court of Session in Scotland. It was in substance whether a banker is bound by his own entries in the pass-book of a customer. In *Rhind v. The Commercial Bank of Scotland*, the action was to recover a balance of £66, alleged to be due on a cash account between the plaintiff and defendants, (we use the English law terms as more intelligible). The defendants disputed the demand, on the ground that a payment



of £80 had been twice entered in the pass-book by a mistake of the accountant. The bank offered to prove the fact of the mistake, and pleaded that the pass-book did not afford sufficient evidence to substantiate the plaintiff's claims, and that the onus of proving its truth lay upon him. The Court held unanimously that the plea was bad, and that the bank was bound by the pass-book. The Lord Justice Clerk, in his judgment, said—'He held that the document was a complete acknowledgment that they held the sums specified in the entries for the pursuer, and that they must pay the money so vouched, against which it was not competent to plead, *ope exceptionis*, their own mistake. Neither according to the law of England nor that of Scotland, could a bank in any proceeding refer for proof to their own books. The result was that in this action they must pay in their own receipts. Such a defence was more incompetent than it would have been with reference to a single and separate deposit receipt, as to which he could understand a case of mistake being more plausibly averred; for in the case of such a pass-book, whenever any money was drawn out or paid in, the attention of the officers of the bank was drawn to the state of the entries. Two other entries were made in this case before the mistake was discovered, one on the 19th and one on the 20th, while sums were drawn out on seven occasions before the mistake was discovered, and the matter might have gone on to the end of the year without any discovery being made. But he would reserve to the bank the right to institute any action, if they were advised to do so for the purpose of cutting down and setting aside the receipt in question, and also he would reserve to the bank, in the event of their bringing such an action, to seek repetition of the sum for which decree might be given. Had the bank presented to the Court a written acknowledgment by the pursuer, that he had not made the payment in question, then this action would have gone by the board. In conclusion, he did not know what effect the defenders would give to this holograph writing, which must be looked at with reference to its import. Now, it was an express acknowledgment given for money paid by the pursuer, and on the clearest principle of form, they required to cut down that writing. The bank was the best judge of what was its interest, and if they wished to destroy the validity of their pass-books, and to say they were only due the money which was entered in their books, they might do so, but he doubted whether the other banks would thank them for stirring such a point. The result would seem to be to lead depositors to resort to those banks which did not deny validity to their pass-books. The defenders had got some view of the glim-



mering of the practice in England, and wished to give the same character to their pass-books as pass-books had in England, without being aware of the unsigned entries in English bank pass-books. His Lordship then referred to *Grant on Banking in England*, from which it appeared that the pass-books there were mere copies of the account in the books, and had no signed entries at all. It was found, in many cases, that although there was the character of the pass-book, the credit given therein bound the bankers, because the party was led thereby to suppose that he had such funds to deal with.'"

### LEGAL NOTES.

#### DEPOSITS BY MARRIED WOMEN.

WE shall be obliged to R. S. for a copy of the opinion he states it to be his intention to obtain. We have looked further into the matter, and our previous impressions are strengthened. It will, we think, be found that minute distinctions will make a great difference, and that it will be difficult to arrive at a general rule. A deposit of money is not so strong as a bill or note, and the cases abound with intimations that the evidence of a gift between husband and wife ought to be clear and decisive. Is R. S. quite right in using the expression "reduction into possession" in the way he does?

### Legal Miscellany.

*Court of Bankruptcy, Basinghall-street, April 2.—(Before Mr. Commissioner FANE.)*

#### IN RE SAMUEL ADAMS.—THE WARE AND HERTFORD BANK.

THIS was an adjourned examination meeting in the above case.

Mr. Lawrance, for the assignees, said there must necessarily be an adjournment, owing to a ridiculous omission in the bankrupt's balance-sheet. He had omitted to mention a sum of £3,000 due to his estate by Captain Johnston. It would appear that from time to time he had advanced Captain Johnston moneys, and, not wishing the persons in his employ to know the fact, the amount had been debited to personal expenses and the Ware Manor estate. This had been done from shame, and not, as was believed, from any more unworthy motive. The Court would recollect that the bankrupt had been connected with the suit *Kay v. Johnston and others*. Kay was a young heir from whom Johnston had obtained a large amount of bills of exchange. Kay had sought to prove against the bankrupt's estate for £30,000, arising from his transactions with Johnston and Kay. That claim had been compromised by admitting a proof for £10,000.



It was true that the alteration in the bankrupt's balance-sheet would not benefit the estate, Johnston being a bankrupt in this Court and without estate. It was necessary, however, that the alteration should be made.

The Commissioner said it was well for the bankrupt that he had admitted the truth before passing his examination, otherwise he might have been prosecuted for perjury.

Mr. Linklater, for the bankrupt, said the advances had been made to Kay in the manner stated, and that it was only since the last meeting that the circumstance had occurred to Mr. Adams's recollection. He had thereupon communicated the fact to his assignees. The circumstance having been thus mentioned at Mr. Adams's own suggestion showed that there was no intention to pass his examination on incorrect accounts.

The bankrupt was examined by Mr. Sargood for creditors in respect to a large square box for corn, which it was insinuated might contain other property. He denied the allegation.

After some further evidence in respect to the value of certain property and its alleged depreciation,

His Honour ordered an adjournment.

It was stated during the proceedings that the Court had sanctioned the filing of a bill in Chancery, the object of the bill being to set aside a marriage settlement, on the ground that the bankrupt was not solvent at the time of its execution.

*Court of Bankruptcy, Basinghall-street, April 15.—(Before Mr. Commissioner FONBLANQUE.)*

IN RE COLONEL WAUGH.

AN adjudication of bankruptcy was made in this case. The bankrupt, formerly a director in the London and Eastern Banking Corporation, is described as William Petrie Waugh, of Branksea Island, in the parish of Studland, in the county of Dorset, and of Little Abingdon-street, in the county of Middlesex, and trading there under the style or description of "The Branksea Clay and Pottery Company," and lately residing at No. 10, Upper Grosvenor-street, in the county of Middlesex, brick and tile maker, limeburner, dealer, and chapman. The petitioning creditor is Mr. Samuel Price Hughes, of the city of Worcester, a creditor for £500.

Mr. Bell is the official assignee, and Messrs. Linklater and Hackwood are the solicitors in the case.

The bankrupt, it may be recollected, has been stated to be a debtor to the London and Eastern Bank to the amount of £237,000, and it is said that the bank has executions upon his premises for £130,000.

## Reports of Joint-Stock Banks.

### AGRA AND UNITED SERVICE BANK.

THE half-yearly general meeting of this bank was held at Calcutta, on the 14th of February, Mr. J. G. Vos in the chair, when the following report of the directors was read by the secretary:—

The directors beg leave to submit to the proprietary, duly audited, the half-yearly accounts of the bank up to 31st December last. They exhibit a



net profit Company's Rupees 4,93,602-5-9, being at the rate of Rs. 13-2-6 per cent. per annum on the paid-up capital of seventy-five lacs—a result which they hope will be considered satisfactory. The above out-turn, after providing for a dividend at the rate of 10 per cent. per annum, will leave Rs. 1,18,602-5-9 to be carried to the reserve fund, which will then amount to Co.'s Rs. 14,92,509-5-1. The new stock, notwithstanding the large amount called up on the 31st December, has been nearly all provided for—the privilege of the further period (six months) for payment, offered to the proprietors, having been availed of only to a limited extent. The directors regret to state that the house at Canton, recently purchased by the bank, for the business of the agency there, has been burned to the ground, with the whole of the factories, by the Chinese; but the shareholders will be glad to learn that all the books, papers, and cash belonging to the bank, had previously been removed and placed in safety, and the loss is confined to the value of the house itself, and the furniture it contained. Our agent in China has taken the necessary legal steps, at the British Consulate, to substantiate the bank's claim for full indemnity, which, there is reason to doubt, will ultimately be granted. H. M. Plenipotentiary, in reply to an address from the mercantile body at Hong-Kong, referred to these acts of incendiarism as being of a character “to constitute a special claim to the potent intervention of H. M. Government,” and assured them that there should be every exertion on his part “in obtaining reparation for losses and injuries suffered.” Our China agency is for the present located at Hong-Kong. The steps preliminary to the removal of the bank to London are being prosecuted with all the despatch that the circumstances admit, and the directors hope shortly to be able to announce that the contemplated changes have been completed. In furtherance of these arrangements, the secretary will shortly leave Calcutta, to assume his duties at the bank in London, and Mr. M. Balfour will take charge of the Calcutta office. The shareholders have recently been furnished with a copy of the proceedings of a special meeting in London, for the election of directors from the Indian services, and a copy of the further proceedings of the London board for the choice of non-service members is now before the meeting, and will be circulated. The board there, with one exception, is now complete.

The auditors' reports of the head office and branches and of the London agency were then read, and the following resolutions passed:—

1st, That the accounts submitted to the meeting be approved and passed, and published, with the directors' report, for the information of the shareholders. 2nd, That a dividend at the rate of 10 per cent. per annum, or Rs. 25 per share, be declared, and that Rs. 1,18,602-5-9 be credited to the reserve fund. 3rd, That the thanks of the proprietary be tendered to the directors for their past services, and that they be requested to continue the same. 4th, That this meeting approves and confirms the election by the home shareholders of the following gentlemen, to form the board of direction of the bank in London—The Right Honourable the Lord Mayor, Mr. Charles Grenville Mansel, Lieut.-Colonel J. H. Macdonald, Mr. G. G. Macpherson, Major-General Duncan Sim, Colonel James Holland, Mr. W. Newmarch, Mr. A. Rimington, Mr. J. C. Palmer, Mr. J. S. Stopford, and Lieut.-Colonel Henry Doveton.

Auditors for the current half-year having been chosen, the chairman addressed the meeting as follows:—Gentlemen,—As the present will probably be the last general meeting of the bank in India, I cannot permit the occasion to pass without calling on the meeting for an expression of its good will towards one who has so faithfully and efficiently served us as Mr. Neilson has done. As chairman of your board, and having the honour to



preside at this meeting, I deem it a privilege to bear testimony to the zeal, care, judgment, and unwearied exertion ever exercised by Mr. Neilson in connection with the bank's affairs. I am sure, gentlemen, you will concur with me that this is a fitting season, when Mr. Neilson is proceeding to be at the helm of our affairs in London, to record a well-merited proof of your confidence and esteem.

It was then proposed, seconded, and carried unanimously,—That the thanks of the meeting on behalf of the proprietary be given to the secretary, for his judicious and effective management, which for the past eleven years has tended so materially to promote the interests of the bank; that Mr. Neilson be assured that the good wishes of the shareholders follow him to his new sphere of service, where they confidently anticipate the same beneficial results as hitherto will attend his supervision.

It was further agreed,—That a testimonial be given to Mr. Neilson, the secretary of the bank, on his departure from India to take charge of the London office, from the shareholders at large, to the amount of £300, as a token of their approbation of his efficient management of the bank's affairs during eleven years' connection with it in this country.

*Abstract of Profit and Loss, from 1st July to 31st December, 1856.*

*Dr.*

To establishment expenses at head office and branches	Rs.1.00.194	0	5
General charges at ditto	25,167	5	5
Postages at ditto	1,854	8	1
Interest on Deposits	2,17,477	6	5
Divisible balance	4,93,602	5	9
<b>Total Co.'s Rupees</b>	<b>8,38,295</b>	<b>10</b>	<b>1</b>

*Cr.*

By profit at head office and branches	Co.'s Rs.8,38,295	10	1
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**LONDON AND EASTERN BANKING COMPANY.**

A SPECIAL meeting of the shareholders of this bank took place on the 28th of April, at the chief offices, Cannon-street, Col. Tucker, a shareholder, in the chair, when the following report was presented:—

The board of directors, acting under the committee appointed at the meeting of the shareholders held on the 25th March, submit the following report to the shareholders.

In point of form, the report is a report of the directors, but it has been prepared on behalf of the committee.

The shareholders are reminded that at the meeting of the 25th March, Col. Yates, Mr. Thynne, who represented Sir William Gomm, and Capt. Beville, were appointed expressly and solely with a view to the realisation of the property of the bank to the best advantage.

It was resolved at that meeting that the board of directors should continue in office for the purpose of carrying out the arrangement for the due realisation of the property and payment of all the obligations of the bank, and they were to do no acts except with a view to carry out the administration under the authority of the committee.

The shareholders were required to give their promissory notes at 12 months for the amount of the remaining instalments of 50 per cent. payable on each share, and the committee were authorised to make over all the



property, and to deliver over promissory notes to secure the advances required.

The committee have pleasure in reporting that the requirements of the promissory notes was felt to be so reasonable or rather so much a necessity under the unfortunate circumstances in which the bank was placed, that a large amount was signed on the 25th of March, before the meeting broke up.

The committee entered at once upon their duties, and have given their uninterrupted attention to the affairs, and have been aided most effectually by Mr. Archibald F. Arbuthnot, who (though no shareholder, and only interested for a friend) has devoted himself for many days as a mediator in the negotiations with the directors of the Oriental Bank Corporation, and has since greatly assisted the committee.

The committee have pleasure in reporting that the chairman, directors and managers of the Oriental Bank Corporation have throughout these negotiations, acted with the same liberal and considerate spirit which induced them with the other assisting banks to respond to the appeal when first made to them by Mr. Coleman. By the Indian Mail, the day after the meeting of the shareholders, they sent out the necessary credit to India, and after much consideration, they have engaged to afford pecuniary support to an extent which it is confidently believed will enable the bank, with the realisation of its property, to fulfil all its obligations in regular course.

The board of directors acting under the orders of the committee, requested Mr. Stuart of the Oriental Bank to take upon himself the office of manager of the London and Eastern Bank Corporation, to which that gentleman kindly consented, and he, being duly appointed, commenced his duties, and on the 11th instant took over the entire charge.

The board also in compliance with the wish expressed by the assisting banks, have made a call on the shareholders.

The committee, however, felt it right to intimate that this call would only be enforced against those shareholders who may not give their promissory notes.

The committee are glad to say, that the shareholders in England who have omitted to give their notes are very few, and they have every belief that the shareholders in India, as well as in England, will concur in giving their notes.

Proper deeds have been sealed by the company for giving the Oriental Bank the complete control of the negociable securities and other assets, and for vesting the landed property in a trustee for sale, and all proper steps have been and will be taken for the realization of the property in the best manner.

The committee consider that they were established for a temporary purpose, which may be deemed to be fulfilled by the arrangement with the Oriental Bank Corporation having been completed.

It is, however, felt by all who have taken part in the arrangements, that it is necessary that a committee should continue to act, and Mr. Arbuthnot, and Mr. Samuel Smith, a shareholder, well acquainted with India, have been requested, and have consented to join the existing committee, who have also consented to continue their aid in the administration.

The existing committee, and the gentleman now proposed to be added to it, do not consider themselves to be constituted for any other purpose than to superintend and direct the realization of the property of the bank to the best advantage,

In the fulfilment of their duty to the shareholders, they will not shrink from any investigations into the transactions of any of the directors and



officers of the bank, or from directing any proceedings on behalf of the shareholders which may be essential to their interests.

They, however, consider that any investigation, simply involving individual or collective culpability, are secondary to the more important object of devoting their time and attention for the present exclusively to the administration.

They have, however, requested Mr. Coleman to investigate all the affairs of the bank from its first commencement, and they will be prepared, at a future occasion, to lay the result before the shareholders and the directors, in whose names this report is formally issued, have pledged themselves (and hereby renew that pledge) to afford every information and assistance to Mr. Coleman.

The committee, at the same time, think it right to state to the shareholders, that they consider that, at the present time, any detailed statement of the transactions in which the directors or officials have been personally engaged might impair the due progress of the administration.

They are of opinion, that they hope it will be the opinion of the shareholders, that as the arrangement made will enable the bank to fulfil all its engagements to the public, that the public can, at the present time, have no right to inquire into their affairs, if such inquiry is in the slightest degree detrimental to the object of carrying out the means of paying all the creditors.

In making these observations, the committee wish most emphatically to declare that they represent the interest of the shareholders, and of the shareholders only; and they repeat the assurance, that they will not be influenced by any consideration for any other party.

The committee are advised that it is most important that the corporation should continue to exist in its fullest integrity, according to the provisions of the letters patent.

They think it right to state, in justice to the directors, that they one and all have expressed their willingness to retire, and that since the meeting of the 25th of March, they have been ready to give any assistance and information to the committee, and have acted fully in conformity with its directions.

In the existing state of things, it would not be possible to supply their places, and they have been requested to continue to act, and as three form a quorum, the committee have requested three to act who are free from any engagement with the bank; and these gentlemen have agreed to give their attendance so as permanently to constitute a board for all purposes for which the corporation may be required to do, or confirm any former act.

Every arrangement has been made with a view to economy. The present office will be sold, and the corporate seal and the place of business of the corporation will be transferred to some small office conveniently near to the offices of the Oriental Bank Corporation, the staff of clerks will be reduced as much as possible, and the directors will act gratuitously. It has been thought necessary, in compliance with the 141st section of the deed, to take the sense of the shareholders at the present meeting, as to the dissolution of the corporation. The committee have already stated their strong opinion against the expediency of a dissolution, which would involve the existence of the corporation, which it is important to maintain.

They ask the shareholders to confirm, by resolution, what has hitherto been done, both at and since the meeting of the 25th March, and to authorise and sanction the arrangement made with the Oriental Bank Corporation, on behalf of themselves and the other assisting banks, and they will be prepared at the next half-yearly meeting, to be held in pursuance of the letters patent, to make a report of the progress of their administration.



They have requested Mr. Coleman to furnish them with a short statement, showing the progress of the administration to the 11th April, the date upon which Mr. Stuart formally took upon himself the managership of the bank, by which it appears that the liabilities of the bank were reduced, between the 11th March and 11th April, from £397,734 to £340,240.

That the general assets of the bank now remaining are estimated to yield £16,052 above the estimates made on the 23rd March.

That the securities held for the debt due from Colonel Waugh to the bank, are estimated not to yield by a sum of £38,000 so much as they were estimated to do on the 23rd March.

The result of these altered estimates is, that the estimated surplus of £15,718, as shewn on the statement of the 23rd March, is now changed to an estimated deficiency of £8,230.

The committee, while fully agreeing with Mr. Coleman as to the propriety of not wishing to give to the shareholders any view of their affairs which may not be realized, are of opinion that many of the estimates of some large amounts are low, and they hope for better results.

The annexed resolutions were adopted:—"That the report of the directors be received and confirmed, and this meeting declares its approval and confirmation of the measures taken to provide funds to meet the company's engagements.—That this meeting does not think it proper that the company should be dissolved.—That Colonel Yates, Mr. Thynne, and Capt. Beville be requested to continue members of the committee, and that Archibald Frederick Arbuthnot, Esq., and Samuel Smith, Esq., be requested also to become members of the committee, and that the committee be authorised and empowered to superintend the board of directors, and that the board be authorised and enjoined to act under the direction of the committee, and to carry out, on behalf of the corporation, any measures which the committee may direct, and to authorise and confirm any acts which may be done by Mr. Stuart, as manager, under the authority of the committee.—That the cordial thanks of the shareholders be conveyed by the chairman to the chairman, directors, and managers of the Oriental Bank Corporation, and the other assisting banks, for their prompt and liberal assistance.—That thanks be also given to Mr. Stuart for undertaking the office of manager, and for the services already rendered by him to the shareholders.—That the thanks of this meeting be given to the committee and to Mr. Arbuthnot for their valuable advice and assistance.

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## Communications.

*To the Editor of the "Bankers' Magazine."*

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### RAILWAY DIVIDEND WARRANTS.

SIR,—I feel desirous to draw the attention of the commercial world to the inconvenience arising from the extremely small documents in use amongst some railway companies, for the half-yearly payment of their dividends. The minute shreds of paper used by the London and North Western Railway Company expose the clerks of banks through whose hands they pass to great annoyance and trouble. No room is afforded for a bold, legible insertion of the amount, no vacant spot can be seized upon for the deduction of income-tax, which has generally to be written across the face of the warrant in red ink, disfiguring shamefully its appearance, and often



creating errors and inaccuracies from its indistinctness. Nor is the slightest facility, in this respect, afforded for the correct ascertainment of the precise day on which the half-year commences for which the dividend is paid. This particular alone has repeatedly caused differences in calculation between provincial bankers and their London correspondents; and, during the recent vacillations of the income-tax, has become a most vexatious grievance to others besides.

Your obedient servant,  
DESPERADO.

*Manchester, 18th April, 1857.*

P.S.—Other companies choose forms so inconveniently large, that where the dividend is of small amount (often only a few shillings) the contrast is perfectly ludicrous.

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### FORM OF GUARANTEE.

SIR,—At your convenience, will you be so good as to say if you consider the subjoined a good form of guarantee, viz. :—

“In consideration of your making advances in the customary way of banking, or otherwise, to

against any loss arising out of any transaction whatsoever that you may have with the said

other party by which bills, cheques, or other securities bearing the name of the said

may come into your hands. The extent of my liability to you under this guarantee not to exceed the sum of

but that amount not necessarily to be the limit of your transactions with

And this guarantee to be a continuing security until revoked by myself, in writing addressed to you, and subsequently to remain in full force as to all obligations to you, or which may come into your hands, of the said

incurred prior to the receipt by you of my letter of revocation.”

I am, sir, your very obedient servant,  
A SUBSCRIBER.

*Dublin, 20th March, 1857.*

[We consider the above a good form.]

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### PROTESTING FOREIGN BILLS OF EXCHANGE AFTER ACCEPTANCE VARYING FROM TENOR.

SIR,—I beg respectfully to submit the following case for your opinion :—

A, B, and Co., of Paris, drew a bill, addressed “Messieurs C, D, and Co., à Glasgow—payable à Londres,” which, while unaccepted, was negotiated by the drawers with their Paris banker, who transmitted the first of exchange to his correspondent, in London, to procure acceptance. The drawees, in due course, received the bill per post, through this channel, and thereupon returned it accepted, payable at their own place of business, at Glasgow, having deleted the words “payable à Londres.” To this, no objection was made by the party presenting for acceptance, who was not an indorsee, but the mere agent of the Paris banker. A similar course had been adopted in a previous transaction between A, B, and Co., and C, D, and Co., when the bill was duly presented and paid in Glasgow.

In the present instance, the bill matured on the 8th instant (a Sunday),



and the indorsement on the second of exchange bears that it was transmitted on the 5th by a holder in Paris, to a house in London, at whose instance it was there protested for non-payment on the 7th. The words of the protest are as follows:—"On the 7th day of March, 1857., before me, notary public, &c., dwelling in London, and witnesses, appeared M. and Co., of this city, merchants, who, producing the original afore-copied bill of exchange, requested me to protest the same for want of payment, declaring that, notwithstanding the said bill is drawn upon Messrs. C, D, and Co., of Glasgow, and also accepted by them, payable at Glasgow, contrary to the tenor of the said bill, the said Messrs. C, D, and Co., had not sent them, these appearers, any effects for the payment thereof, or any orders where to apply for payment in London, pursuant to the tenor thereof. Wherefore, I the said notary, &c." The bill was thereafter, as indicated on the second of exchange, paid *supra* protest, for honour and account of the banker in Paris by his agent in London, who had received the original, accepted payable in Glasgow, without challenge; and, in due course, the principal and expenses were claimed from and paid by the drawers. It is only necessary further to add that the words "payable à Londres" were not deleted on the second of Exchange.

These are the facts of the case, as briefly stated as possible, and I will feel obliged by your favouring me with your opinion on the following points:—On whom does the responsibility of these proceedings rest? Whether the agent of the first indorsee, in so far as he, without objection, received the first of exchange accepted payable in Glasgow (although not conformable to the tenor of the bill), did not become bound by it, and ought, therefore, to have prevented the issuing of the second of exchange, bearing to be payable in London? Whether the acceptors were bound to provide payment elsewhere than at their own place of business? Whether a notary can, in any case, legally protest a bill which he has nowhere presented for payment, and by what possibility the acceptors could have sent funds for that purpose to the unknown holders of the bill?

I am, your most obedient servant,  
D. B.

*Glasgow, 23rd March, 1857.*

[We have not had a similar case to the present fall under our attention before. The notary, we presume, acted under the 2 and 3 Wm. IV., c. 98, which enacts that a bill made payable by the drawer at a place other than other than the drawee's residence, and which bill shall not be accepted on presentment, protested for non-payment in the place where it has been made payable. We are under the impression that the course followed here can be justified, and that the drawers must bear the loss.]

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#### ACCEPTANCES AND INDORSEMENTS BY PARTNERS TRADING UNDER A PARTICULAR NAME.

SIR,—I shall be obliged by a reply to the following inquiry in your pages:—

Four partners established a business; and we will suppose they styled themselves "The Middlesex Whitewash and Colour Co."

They have accepted drafts drawn upon them, and indorsed bills, simply "The Middlesex Whitewash and Colour Co," without the signature of a partner per procuration of their firm or company.



Do you consider such a mode of acceptance and indorsement regular, and such as bankers ought to be satisfied with, as legally sufficient?

Yours respectfully,

Sheffield, 13th April, 1857.

A BANK MANAGER.

[We think the acceptances and indorsement regular, but proof would be required who was meant.]

**BILL OR NOTE IMPRESSED STAMPS FOR DRAFTS TO ORDER ON DEMAND.**

SIR,—I put to my solicitor the same question you answered me in your last, and he give me quite a contrary answer. The form of draft referred to is the following :—

£100

Wokington, 20th April, 1857.

Bill  
One Penny      pounds.  
or Note.

Please pay John Jones or order the sum of One hundred

THOS. SMITH,

To Messrs. Barclay and Co.,  
Bankers, London.

My solicitor says, if it is a bill, it requires to be on a shilling bill or note stamp; if it is an order on demand, it requires a stamp of that description of one penny; and, in law, the above is an unstamped instrument, an might as well be on a penny postage stamp as on a penny bill or note stamp.

I am rather inclined to take the same view as my solicitor; for I can find no authority for considering bill or note stamps the same as draft on demand stamps. I am fully aware adhesive receipt and draft on demand stamps are legally the same, but I think the law does not go so far as to allow a draft on demand to be drawn on an impressed receipt stamp, or a receipt given on a penny draft impressed stamp.

If, on reconsidering the matter, you see reason to alter your view, please insert in your next.

I am, Sir,

B. B. B.

Workington, 17th April, 1857.

[At the time we gave our former answer, we did not understand the question to refer to the denomination of stamp. It seems to us erroneous to say that the stamp might as well be a penny postage stamp, because the postage stamp represents the postage revenue, and not the stamp duty revenue, which both the bill impressed and the draft adhesive stamps do. By the 55 Geo. 3, cap. 184, s. 10, a stamp of an improper denomination or rate of duty, but of equal or greater value, is valid, except when specifically appropriated to any other instrument. Can it be said that a stamp impressed with the words "bill or note" is specifically appropriated to another instrument than a "draft," which is, in many cases, synonymous with a "bill?" Where such questions can be avoided, it is better to do so; but we do not feel satisfied that there is anything unlawful in the practice referred to.]

**ALTERED CHEQUE.**

SIR,—Will you favour me with a reply to the following case in your next publication?—A party goes from home for a few days, leaving with his confidential clerk several cheques on his banker, signed in blank, which h



is to fill up as required. One of these has been filled up for a certain sum; but before being presented for payment, the original sum is crossed out, and another but smaller sum is interlined. Would the bank be justified in refusing payment of the cheque until the alteration should be confirmed by the drawer, or would the bank be quite right in paying the smaller sum?

I am, Sir, yours respectfully,

A CONSTANT READER.

[We think the bank would do quite right to pay the smaller sum.]

### CORN AVERAGES.—GOLD.

SIR,—The absence of statistical information, both at home and in foreign countries, as to the result of the last harvest, and the probable demand that may exist for additional supplies to support the population of Western Europe to the harvest of 1857, may perhaps render the result of the weekly average prices of wheat, barley, and oats, for the year ending Michaelmas last, interesting to the agriculturist, as well as useful in arranging corn rents.

The average prices for the year ending Michaelmas, 1856, were—

	s.	d.	
Wheat .....	73	2½	per Imperial Quarter.
Barley .....	39	11½	ditto.
Oats .....	25	10½	ditto.

while for the six following weeks ending November 14, 1856, the average prices were—

Wheat .....	65	6	per Imperial Quarter.
Barley .....	44	8	ditto.
Oats .....	26	5	ditto.

It appears from the reports this week from almost all the places of European supply, that prices are rather receding; and as America has still a large surplus to export, we may reasonably expect that the present price of wheat here will not be exceeded; although it must be admitted that in Paris the price of bread is now nearly the same as in London, and that in Spain and Italy prices range very high in consequence of local deficiency.

France and England are both importing countries. According to an account made up annually to October, during the last ten years, the average importation of wheat (including flour) into England approaches 4½ millions of imperial quarters. For the six years to Michaelmas, 1856, the imports of wheat stand as follows:—

	Imperial Qr.	Average Prices to Michaelmas.	Value.
		s. d.	£
1851 .....	6,073,555	39 5	11,969,964
1852 .....	3,600,527	39 10	7,171,037
1853 .....	6,097,697	45 7	13,897,667
1854 .....	5,586,218	72 1	20,133,660
1855 .....	2,898,876	71 10	10,411,762
1856 .....	4,337,616	73 2	15,868,445

During the last forty years France has been, on the average, an importer of wheat, and during the last few years to a large extent, as may be seen by the following return of the estimated value sterling during the years named:—

1885 .....	£60,000
1852 .....	184,000
1853 .....	4,348,000
1854 .....	6,860,000
1855 .....	4,912,000



The importation of wheat naturally leads to the consideration of the subject of gold and silver, as all great importations occasion a drain of bullion. Such importations cannot be liquidated by the usual current of trade. The adoption of a gold standard by England and America has been fortunate, and will, I feel no doubt, ultimately lead to its introduction into France and elsewhere, as the continued drain of silver to the east, for the purposes of commerce, will render such a measure necessary. The following recapitulation from the Customs department in France, will show the progress of the precious metals in that country during the years 1853, 1854, and 1855 :—

	Imported.	Exported.		
Gold.....	£47,100,000 ...	£10,500,000	Retained .....	£36,600,000
Silver ...	13,200,000 ...	32,300,000	Excess of export ...	19,100,000
Gold and silver taken together, in the three years an excess of import of .....				£17,500,000

Assuming this statement to be correct, it is quite evident that the withdrawal of so large an amount of silver from the circulation must interfere with the commercial convenience of the country, and eventually lead to the abandonment of a double standard, as no legal restrictions can retain the precious metals against the requirements of commerce. This has been moved in England during the great war at the commencement of the present century. Gold was then not to be obtained but at a high premium, and only in small quantities. The present silver coinage of this country is safe from the demands of commerce, until the market price of standard silver exceeds 5s. 6d. per oz.

It is contended that the increase made to the total quantity of gold in the commercial world does not add to its real worth, as the greater abundance diminishes its relative value by enhancing the prices of every other commodity valued in gold. However true this may be in the result, after a number of years, still the countries producing the gold benefit largely by the stimulus it imparts to trade, to manufactures, and to colonisation. It would be a matter of curious speculation to consider how many years have been anticipated in the progress of Australia. The following abstract of the produce of the gold-fields since 1848 may be interesting. More than one hundred millions have been added to the unknown quantity of gold previously existing in the world. The annual produce now begins to form a percentage on that unknown amount, and in a ratio to that percentage must be the slow but certain addition to the money value of all commodities.

	California. £		Australia. £		Total. £
1848 ...	12,000	...	...	...	12,000
1849 ...	1,600,000	...	...	...	1,600,000
1850 ...	5,000,000	...	...	...	5,000,000
1851 ...	8,000,000	...	907,113	...	8,907,113
1852 ...	11,200,000	...	9,735,903	...	20,935,903
1853 ...	12,000,000	...	10,445,700	...	22,445,700
1854 ...	13,600,000	...	9,028,759	...	22,628,759
1855 ...	12,908,000	...	11,513,230	...	24,421,230
	£64,320,000		£41,630,705		£105,950,705



For the present year there is every probability that the produce will much exceed any former year.

I remain, sir, your obedient servant,

CHARLES M. WILlich,

*Actuary, University Life Assurance Society.*

25, Suffolk-street, Pall-mall, Nov. 27, 1856.

## *Notes of the Month.*

**THE ESTATE OF MESSRS. MARZETTI AND Co.**—The dividend at the rate of 5s. in the pound has just been paid by the inspectors of the estate of Messrs. Marzetti and Co., who suspended in July last with debts to the amount of £40,000, through losses consequent upon the cessation of the war; and an expectation is entertained that another dividend of at least an equal amount will be realised. The firm have resumed business.

**LIQUIDATION OF EXCHEQUER BONDS.**—The £2,000,000 of Exchequer bonds to be paid off on the 8th day of May are not held in the public market, and are believed to have been taken at the time of their issue on account of the savings banks, or some other Government trusts. This, however, will not alter the necessity for finding a new means of investment for the amount, and the Consol and other markets derive support from the anticipation of the influence it may exercise.

**PRICE OF CONSOLS.**—The highest price of Consols between the 6th of April, 1855, and the 5th of April, 1856, was 93½; the lowest price, 85½; and the mean price, £89 8s. 9d., or under 89½. In 1854-55, the mean price was £91 7s. 6d.; and in former years, up to 1847-48, £93 1s. 3d., £100 3s. 9d. (the mean price of 1852-53), £97 7s. 6d., £96 15s., £94 5s., £87 5s., and £84 7s. 6d.

**NEW INDIAN LOAN.**—Owing to the last accounts from India of the failure of the local Government to raise a 5 per cent. loan, an impression is entertained by some persons that a subscription for the requisite sum will be opened on this side. The difficulty in India, however, is likely to prove merely temporary, and there is reason to suppose that any help which may be accorded by the authorities on this side will be limited to such sums as may be obtained in anticipation from subscribers to guaranteed railways.

**TEA DUTY.**—The total amount of duty paid on tea on Monday the 6th inst., throughout the United Kingdom, was £626,230, representing 8,840,871b. weight. The number of entries passed at the London Custom House for tea alone on that day was 24,635, the duty on which was £324,122.

**BANK OF ALEXANDRIA.**—A project has lately been brought forward for the establishment of a new bank. The promoters of the scheme are chiefly Greeks, and it appears likely to receive the support of the principal merchants of that nation, who, as is well known, possess a large share of the business of Alexandria. The operations of the contemplated establishment, it appears, will be conducted on the principle of the old local banks, which combine brokerage with banking transactions, and, indeed, rather render the latter subservient for the extension of their business as brokers. The Bank of Egypt, meanwhile, has been successful in the competition for one of our principal financial operations—namely, the remitting to London of the Egyptian tribute, which, as our readers are



aware, is appropriated for the payment of the interest on the Turkish loan. The amount is £283,000, to be remitted in instalments of about £15,000 by each Indian mail, payments one month after the delivery of each set of bills. The tender made by the Bank of Egypt was 96 89-40th tariff piastres per pound, which, at the present value of sovereigns in the ordinary commercial currency, is equal to an exchange of about 100½ to 101 piastres for three months' bills.

### MERCANTILE SUSPENSIONS.

THE following are the failures of the month. They include two Parisian bankers, whose business, however, was only of a limited character, and the liabilities consequently will not prove large. The other suspensions are not considered important.

- March.—Messrs. Greene and Co., bankers, Paris.  
 „ Alexander Frear and Co., New York.  
 „ Blashfield and Co., New York.
- April.—Mr. Bettman, New York.  
 Mr. A. Marks, shipbuilder, Sunderland.  
 Messrs. Valie and Co., bankers, Paris and Havre.

### MONTHLY CHRONOLOGY.

March 30.—Announcement of the failure of Messrs. Greene and Co., bankers, of Paris.

April 2.—The directors of the Bank of England advanced the rate of discount from 6 to 6½ per cent.

7.—Announcement made of the failure, at New York, of Messrs. Alexander Frear and Co., for £160,000; of Messrs. Blashfield, Clarke, and Co., for £50,000; and Mr. Bettman, for £26,000.

9.—The directors of the Bank of England refuse to discount brokers' bills having more than one month to run; and also increased their terms for advances on Stock to 7 per cent.

14.—Her Majesty the Queen gave birth to a Princess.

18.—Suspension announced of Mr. A. Marks, shipowner and builder, of Sunderland. At a meeting of his creditors a composition of 6s. in the pound was offered, and accepted.

25.—Intelligence received of the spread of the Chinese war to Sarawak, Borneo, and slaughter of 2,000 Chinese, by forces headed by Rajah Sir J. Brooke.

28.—Stoppage announced of the Messrs. Valie and Co., bankers, of Paris and Havre; the liability said to be considerable. The managing director of the Havre establishment is reported to have absconded, through adverse Bourse speculations.

28.—The Bank directors limit the advances on Stock to a period of a week.

### BANK MOVEMENTS.

The lease of the chief offices of the Royal British Bank in Threadneedle-street, formerly the South Sea House, was sold on the 8th of April at the Auction Mart to the Baltic Committee for £11,000, the fixtures to be taken at a valuation, which it is thought will bring the total to about £13,000.

It is announced that Mr. Horsley Palmer has resigned his post as director of the Bank of England, which he has occupied for forty-six years.



The election of Governor, Deputy Governor, and Directors of the Bank of England took place on the 14th and 15th of April, when Mr. S. Neave was elected Governor, and Mr. B. Dobree, Deputy-Governor. The following are the directors:— Mr. T. Baring, Mr. H. W. Blake, Mr. T. Buxton, Mr. E. H. Chapman, Mr. R. W. Crawford, Mr. W. Cotton, Mr. B. B. Greene, Mr. C. P. Grenfell, Mr. H. H. Gibbs, Mr. T. Hankey, Mr. J. O. Hanson, Mr. J. B. Heath, Mr. K. D. Hodgson, Mr. H. L. Holland, Mr. J. G. Hubbard, Mr. T. N. Hunt, Mr. A. Latham, Mr. G. Lyall, Mr. T. Masterman, Mr. A. Matheson, Mr. J. Morris, Mr. G. W. Norman, Mr. T. C. Smith, and Mr. T. M. Weguelin.

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#### OBITUARY.

On the 24th April, at Boulogne, Mr. John Macgregor, M.P. for Glasgow, and formerly Governor of the British Bank, aged 60.

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## Monetary Intelligence.

### REVIEW OF THE MONEY MARKET FOR THE MONTH OF APRIL, 1857.

FINANCIAL and mercantile affairs during April have not presented an encouraging appearance. The increased pressure for money, followed by the restrictive measures of the Bank of England, has been attended by an unfavourable influence, and has checked activity in all departments. Considering, however, the lengthened prevalence of the stringency, and the small prospects of an immediate amelioration, trade remains in a remarkably healthy state, as evidenced by the few failures which have lately taken place. With money at  $6\frac{1}{2}$  per cent. and a steady efflux of the precious metals, the position of credit could scarcely be expected to have been so well maintained, and it is consequently a cause for general congratulation. The arrivals of gold from Australia have been considerable, reaching upwards of £1,250,000, but only about £350,000 has been purchased by the Bank. Contracts are again open for France, and since a demand exists not only to supply the necessities of the Bank of France and of the *Crédit Mobilier*, but also to pay for silver in course of shipment to the east, the greater portion of immediate remittances will be absorbed. It is curious to watch the anxiety manifested to ascertain the destination of any quantity of gold received and its delivery at the Bank, while the fact of its retention or despatch, is now recorded, with the greatest minuteness. Money, which was rather easier towards the middle of the month, has again become in active request, and the foreign stock and share settlements which are now in progress, with the approaching payments of the 4th of the month, assist to diminish the amount available in the open market. The rates of accommodation abroad are still high. At Hamburg, the rate of discount is maintained at 7 per cent. In Paris, the demand is active at 6 per cent. In Amsterdam, the rate remains 4 per cent., while in Belgium it is  $3\frac{1}{2}$ . The movements of the precious metals during the month have comprised imports to the amount of about £2,520,000, whilst the exports have reached about £3,467,000.

The English stock market has experienced some fluctuation. One and a-half per cent. has been the range in Consols, a decline having taken place from  $93\frac{1}{2}$  to  $92\frac{1}{2}$ . There has since been a reaction of about one-half per cent., but quotations continue unsettled, and a fresh decline is not improbable. The pressure for money, and the uncertainty of our future prospects, appear to stimulate speculative sales. Exchequer bills have been seriously depressed, having touched 10s. discount; but they are now about par.

Foreign securities have also exhibited a relapse. Turkish and Mexican



have been principally affected, the 6 per cents. Turkish particularly showing an adverse movement. The alleged failure of the project for the National Bank has caused some disappointment, and holders who were interested have realised. Mexican is weak, and Spanish shows heaviness, the dealers in any description being unprepared to support prices; and any reaction seems not to be anticipated.

Railway shares are heavy, and the best classes have receded from £3 to £4 per share. Quotations opened, at the commencement of the month, with firmness; and there was subsequently a general rise, traffic returns being satisfactory, and the public appearing as buyers. The alteration in the rate of discount by the Bank directors, however, soon caused a change; and with the increased tightness of money, quotations have gradually given way. French, Colonial, and Indian have likewise been affected, but not to the same extent as English.

In the shares of the various joint-stock banks, there has been only a moderate amount of business; but prices are rather heavy, and, in some cases, a decided decline has occurred. The shareholders of the new establishments manifest the greatest disposition to part with their securities.

The following are the fluctuations in the English and Foreign Stocks and Railway Shares during the month just concluded:—

	Price on March 30.	Highest.	Lowest.	Price on April 28.
<b>ENGLISH FUNDS.</b>				
Consols ... ..	93½-93¾	93¾	92½	92½-92¾
Exchequer bills ... ..	{ 5s. dis. to 3s. pm. }	4s. pm.	10s. dis.	{ 4s. dis. to 2s. pm. }
<b>FOREIGN STOCKS.</b>				
Brazilian ... ..	102½	102½	99½	101½
Chilian ... ..	—	102½	101½	102
Dutch, 2½ per cent. ... ..	—	65½	64½	64½
Mexican ... ..	22½	23½	22½	23½
Peruvian, 4½ per cent. ... ..	—	78	76½	77
Russian ... ..	—	105	104½	104½
Spanish ... ..	41½	42	41	41½
Turkish, 6 per cent. ... ..	98½	98½	92½	92½
Ditto, 4 per cent. ... ..	101½	101½	100	100½
<b>RAILWAY SHARES.</b>				
Brighton ... ..	108	109½	107½	109
Caledonian ... ..	69½	69½	68½	68½
Eastern Counties ... ..	11½	11½	11	11½
Great Northern ... ..	97½	98	95½	95½
Great Western ... ..	68½	68½	66	66
Lancashire and Yorkshire... ..	102½	103½	100½	100½
London and North Western ... ..	105½	107	104½	104
Midland ... ..	83½	83½	80½	81½
South Eastern ... ..	76½	77½	73½	74
South Western ... ..	103½	104½	100	100½
York, Newcastle, and Berwick ... ..	87	88½	85½	85½
York and North Midland ... ..	64	65½	63	64½
East Indian... ..	111½	112	108	108
Northern of France ... ..	41½	41½	38½	38½



## THE GRAIN TRADE.

THE weather, until the last few days, has been favourable for the progress of the crops. The late intense cold is, however, likely to cause injury, should it continue. There is, however, plenty of time yet for the growth of the plant; and, with a gradual change to warmth, an abundant harvest may be matured. The supplies have lately not increased, and the country markets, after a slight decline, are once more recovering; and prices of grain now generally show a tendency to further improvement.

The *Gazette* returns for England and Wales have been :—

Week ending 1857.	Wheat. Qrs. sold.	Weekly Average.	Six Weeks' Average.	Duty.	Corresponding Six Weeks.	
					Last Year	
Mar. 28 .....	98,784 ...	55 6 ...	55 7 ...	1 0 ...	69 0	
April 4 .....	85,465 ...	54 8 ...	55 5 ...	1 0 ...	69 0	
" 11 .....	93,845 ...	53 11 ...	55 2 ...	1 0 ...	68 10	
" 18 .....	84,689 ...	53 0 ...	54 9 ...	1 0 ...	68 8	

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grain. Qrs.	Total. Qrs.
Thirty-five weeks ended 18th March ...	3,211,174	2,160,675	5,371,849
Four weeks ended 15th April ...	142,732	441,266	583,998
	3,353,906	2,601,941	5,955,847

And the *weekly averages* have been :—

Thirty-five weeks ended 18th March ...	92,000	61,000	153,000
Four weeks ended 15th April ...	35,000	110,000	145,000
	Less 57,000	More 49,000	Less 8,000

## THE STATE OF TRADE.

BUSINESS in the manufacturing districts has been restricted, the increased value of money, and the state of relations with China, having induced the manufacturers to exercise caution. The export trade generally is rather dull, the season being, in most respects, unfavourable.

## NOTICES TO CORRESPONDENTS.

Several communications and reviews have been left over at the last moment. All letters, unless they involve important questions, should be forwarded by the 20th of the month.

JUNIOR CLERK (Glasgow).—The rate of interest is much higher in Ireland.

VERAX.—The establishment is well supported, and the directors are respectable.



**THE BANK OF FRANCE.**

THE *Moniteur* publishes the following monthly debtor and creditor account of the Bank of France, made up to the 9th of April:—

[illegible]

**Certified by the Governor of the Bank of France, D'ARGOUT.**

The above returns are satisfactory, but not more so than has been anticipated. The bullion shows an increase of £508,000, the total being now £9,400,000. There is also an increase of £563,000 in the note circulation, of £432,000 in the deposits, and £700,000 in the discounts. The Government balance presents a decrease of £1,387,000, but, on the other hand, the advance of £1,600,000, made by the Bank on Treasury Bonds, has been paid off. There has been a slight augmentation—£160,000—of the loans upon Rentes, but the small total out upon railway securities has experienced a further reduction of £22,000. The premium paid for artificial purchases of bullion during the month has been £16,000, and it may therefore be presumed they have amounted to more than a million sterling.



# THE EAST INDIA COMPANY'S FORTNIGHTLY DRAFTS ON INDIA,

WITH THE CONCURRENT RATES OF EXCHANGE,

*And the Shipments of Silver per Steam Vessels, during the Year 1856.*

	BENGAL.	EX.	MADRAS.	EX.	BOMBAY.	EX.	Amount semi-monthly.	TOTAL PER MONTH.	SILVER shipped per Steam.
1856.	£		£		£		£	£	£
9 Jan. — 24 Jan.	201,839	2/0	21,004	2/0	4,824	2/0½	227,668		234,951
25 Jan. — 8 Feb.	119,590	"	15,141	"	150	"	134,881	362,549	465,706
9 Feb. — 23 Feb.	156,568	"	21,992	"	718	"	179,304		478,613
25 Feb. — 8 Mar.	117,203	"	41,765	"	100	"	159,069	338,374	448,898
9 Mar. — 24 Mar.	65,996	"	19,798	"	...	"	85,195		403,720
25 Mar. — 9 April	174,160	"	35,161	"	1,531	"	210,852	296,048	458,488
10 April — 24 April	82,046	"	14,454	"	...	"	96,500		351,374
25 April — 9 May	134,536	"	17,283	"	825	"	152,645	249,145	620,692
10 May — 25 May	88,788	"	20,912	"	1,210	"	110,861		531,321
26 May — 9 June	127,865	"	15,852	"	...	"	143,718	254,579	478,346
10 June — 25 June	82,400	"	9,272	"	194	"	91,866		180,234
26 June — 9 July	37,004	2/0½	22,090	2/0½	...	2/1	59,094	150,961	767,797
10 July — 25 July	20,737	"	10,366	"	203	"	31,307		337,085
26 July — 8 Aug.	60,837	"	14,960	"	456	"	76,253	107,560	663,043
10 Aug. — 25 Aug.	14,883	"	9,146	"	958	"	24,988		495,508
26 Aug. — 9 Sept.	36,385	"	7,714	"	...	"	44,099	69,087	806,569
10 Sept. — 25 Sept.	29,848	"	8,429	"	250	"	38,528		437,035
26 Sept. — 9 Oct.	33,142	"	8,707	"	200	"	42,049	80,578	779,390
10 Oct. — 25 Oct.	24,460	"	15,712	"	1,463	"	41,636		499,111
26 Oct. — 8 Nov.	65,076	"	9,208	"	200	"	74,485	116,121	569,556
10 Nov. — 25 Nov.	15,841	"	5,986	"	250	"	22,077		572,715
26 Nov. — 9 Dec.	442,920	2/0	46,997	2/0	4,283	2/0½	494,201	516,278	798,631
10 Dec. — 24 Dec.	340,978	"	47,004	"	5,688	"	393,670		488,085
26 Dec. — 9 Jan. '57	413,180	"	44,335	"	7,036	"	464,552	858,223	428,105
	2,885,632		483,288		30,564			3,399,503	12,296,971

N.B.—The slight variation which may be found between the totals of the respective Presidencies, and the grand totals, is caused by the unnoticed fractional parts of a pound of the former being aggregated in the latter.



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTES.

## PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Feb. 21.	Feb. 28.	Mar. 7.	Mar. 14.
	£	£	£	£	£
1 Andover Bank .....	17,751	11,937	11,408	11,872	11,696
2 Ashford Bank .....	11,849	10,652	10,576	12,205	11,930
3 Aylesbury Old Bank .....	48,461	29,409	29,435	29,910	29,620
4 Baldock and Biggleswade Bank ...	37,223	29,406	29,130	29,236	29,150
5 Barnstable Bank .....	17,182	8,931	9,019	8,925	8,751
6 Basingstoke and Odiham Bank ...	24,730	21,102	21,813	21,831	21,861
7 Bedford Bank .....	34,218	31,429	32,807	34,066	38,834
8 Bewdley Bank .....	18,597	10,349	10,002	10,106	9,543
9 Bicester and Oxfordshire Bank ...	27,090	13,062	13,424	13,935	14,135
10 Birmingham Bank—Attwoods & Co.	23,695	23,163	23,384	24,310	23,854
11 Birmingham and Warwickshire Bk.	18,132	8,552	8,323	8,532	8,695
12 Blandford Bank .....	9,723	7,694	7,156	7,296	7,584
13 Boston Bank—Garfit and Co. ....	75,069	65,879	66,763	67,706	67,030
14 Boston Bank—Gee and Co. ....	15,161	15,486	14,803	14,967	14,699
15 Bridgewater Bank .....	10,028	7,456	7,267	7,283	6,902
16 Bristol Bank .....	48,277	32,068	31,205	32,939	31,820
17 Broseley and Bridgenorth Bank ...	26,717	15,694	15,286	15,042	15,574
18 Buckingham Bank .....	29,557	22,922	22,082	22,537	23,021
19 Bury and Suffolk Bank .....	82,362	67,738	68,960	70,968	72,181
20 Banbury Bank .....	43,457	32,490	33,302	33,803	34,366
21 Banbury Old Bank .....	55,153	26,171	27,124	26,815	27,398
22 Bedfordshire Leighton Buzzard Bk.	36,829	34,798	34,874	34,827	34,374
23 Birmingham Bk.—Lloyds & Co. ...	38,816	30,161	29,269	29,330	28,815
24 Bradford Old Bank .....	12,676	9,683	9,740	9,600	10,824
25 Brecon Old Bank .....	68,271	57,400	55,876	55,750	56,021
26 Brighton Union Bank .....	33,794	19,871	18,895	19,552	19,004
27 Burlington and Driffield Bank .....	12,745	11,769	11,224	11,216	11,268
28 Bury St. Edmund's Bank .....	3,201	2,480	2,823	3,139	3,092
29 Cambridge Bk.—Mortlock & Co.	25,744	14,658	13,923	13,452	13,089
30 Cambridge and Cambridgeshire Bk.	49,916	46,771	47,398	48,209	48,870
31 Canterbury Bank .....	33,671	28,538	28,095	28,407	27,615
32 Carmarthen Bank .....	23,597	21,649	21,626	21,770	21,541
33 Chertsey Bank .....	3,436	2,736	2,659	3,024	2,750
34 Colchester Bank .....	25,082	16,935	17,064	16,024	16,135
35 Colchester and Essex Bank .....	48,704	34,952	33,933	34,145	34,013
36 Cornish Bank—Tweedy & Co. ...	49,869	43,335	44,543	43,983	44,094
37 Coventry Bank .....	12,045	7,580	7,358	7,266	6,658
38 City Bank, Exeter .....	21,527	18,273	19,097	19,498	20,100
39 Craven Bank—Alcocks & Co. ...	77,154	40,635	72,075	74,260	74,345
40 Chepstow Old Bank .....	9,387	7,670	8,616	8,616	8,150
41 Derby Bank—Messrs. Evans .....	13,332	11,769	11,445	11,438	11,853
42 Derby Bank—Smith and Co. ....	41,304	34,202	35,531	36,809	41,337
43 Derby Old Bank .....	27,237	26,832	27,195	27,585	26,747
44 Devizes and Wiltshire Bank .....	20,674	7,855	7,777	7,926	7,685
45 Dias Bank .....	10,657	10,195	10,026	10,140	10,311
46 Doncaster Bank and Retford Bank	77,400	69,879	68,551	68,298	69,915
47 Darlington Bank .....	86,218	83,365	82,263	83,642	84,884
48 Devonport Bank .....	10,664	7,895	8,360	8,375	8,662
49 Dorchester Old Bank .....	48,807	48,308	46,303	46,600	45,802
50 East Cornwall Bk.—Robins & Co.	112,280	90,028	91,128	89,521	87,860
51 East Riding Bank—Bower & Co.	53,392	50,437	51,174	53,901	52,907
52 Essex Bk. & Bishops Stortford Bk.	69,637	45,242	44,400	44,465	44,095
53 Exeter Bank .....	37,894	23,242	22,689	22,870	23,189
54 Faringdon Bk. & Bk. of Wantage	8,977	7,229	7,145	7,489	7,089
55 Farnham Bank .....	14,202	11,801	11,435	12,051	11,830
56 Faversham Bank .....	6,681	5,476	5,441	5,125	5,505
57 Godalming Bank .....	6,322	5,228	5,040	5,333	5,166



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Feb. 21.	Feb. 22.	Mar. 7.	Mar. 14.
	£	£	£	£	£
58 Guildford Bank .....	14,524	13,216	13,193	13,159	12,750
59 Grantham Bank—Hardy and Co.	30,372	26,647	27,283	28,152	27,757
60 Hastings Old Bank .....	38,038	31,206	30,548	30,392	30,141
61 Hereford City and County Bank..	22,364	15,133	14,792	15,635	15,456
62 Hull & Kingston-upon-Hull Bank	19,979	20,517	20,435	20,071	18,114
63 Huntingdon Town & County Bank	56,591	50,337	50,324	51,093	50,725
64 Harwich Bank .....	5,778	5,687	5,194	5,387	5,201
65 Hertfordshire, Hitchin Bank .....	38,764	32,155	31,908	32,769	32,774
66 Hereford, Ross, & Archenfield Bk.	27,625	23,024	23,130	23,281	23,283
67 Ipswich Bank .....	21,901	18,966	19,713	20,135	20,626
68 Ipswich & Needham Market Bank	80,699	64,044	64,692	64,495	63,674
69 Kentish Bank—Mercer & Co. ...	19,895	12,412	12,266	12,220	13,077
70 Kington and Radnorshire Bank...	26,050	25,607	25,110	24,635	25,089
71 Knaresborough Old Bank .....	21,825	20,336	20,080	29,389	20,674
72 Kendal Bank .....	44,663	46,001	44,962	43,464	42,998
73 Kettering Bank .....	9,192	8,695	8,270	8,918	8,869
74 Longton Staffordshire Bank .....	5,624	5,351	5,264	5,338	5,245
75 Leeds Bank .....	53,357	54,096	51,295	54,404	53,007
76 Leeds Union Bank .....	37,459	36,716	36,328	37,376	38,134
77 Leicester Bank .....	32,322	29,058	29,144	31,330	30,198
78 Lewes Old Bank .....	44,836	25,947	25,145	25,180	25,227
79 Lincoln Bank .....	100,342	81,777	81,535	83,834	83,561
80 Llandoverly Bank & Llandilo Bank	32,945	18,650	18,794	18,036	18,031
81 Loughborough Bank .....	7,359	7,385	7,502	7,285	7,147
82 Lymington Bank .....	5,038	3,495	3,445	3,363	3,174
83 Lynn Regis and Lincolnshire Bank	42,817	36,005	36,292	38,246	37,375
84 Lynn Regis and Norfolk Bank ...	13,917	13,222	13,357	12,705	13,268
85 Macclesfield Bank .....	15,760	15,136	15,049	14,941	14,804
86 Manningtree Bank .....	7,692	1,800	2,092	2,421	2,517
87 Merionethshire Bank .....	10,906	5,743	6,105	5,758	5,768
88 Miners' Bank .....	18,688	16,046	17,036	17,059	16,949
89 Monmouthshire Agricultural and Commercial Bank .....	29,335	24,981	24,226	24,729	27,446
90 Monmouth Old Bank .....	16,385	13,790	13,897	14,666	15,097
91 Newark Bank .....	28,788	24,555	24,830	24,599	25,058
92 Newark and Sleaford Bank .....	51,615	46,445	46,929	48,176	50,405
93 Newbury Bank .....	36,787	19,101	18,975	18,155	17,794
94 Newmarket Bank .....	23,098	20,370	20,283	19,954	19,924
95 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	46,882	46,509	46,962	47,158
96 Norwich and Norfolk Bank .....	99,665	98,130	98,217	98,568	98,592
97 Nottingham, Nottinghamshire ...	10,866	10,202	10,694	10,856	10,778
98 Nuneaton Bank .....	5,898	2,957	2,798	2,790	3,017
99 Naval Bank, Plymouth .....	27,321	18,973	19,976	21,074	20,788
100 New Sarum Bk.—Everett & Smith	15,659	8,050	7,484	7,338	7,971
101 Nottingham Bank .....	31,047	28,433	30,455	31,060	32,702
102 Oswestry Bank .....	18,471	10,078	9,734	10,793	11,265
103 Oxford Old Bank .....	34,391	31,910	31,073	31,246	31,687
104 Old Bank, Tonbridge .....	13,183	8,225	8,044	7,877	8,005
105 Oxfordshire Witney Bank .....	11,852	10,230	10,416	10,969	11,403
106 Pease's Old Bank, Hull .....	48,807	47,649	48,215	48,000	47,527
107 Penzance Bank .....	11,405	9,568	9,453	9,407	9,585
108 Peterborough Bank—Yorke & Co.	12,545	9,228	9,302	9,325	9,492
109 Pembrokehire Bank .....	12,910	12,060	11,962	11,550	11,208
110 Reading Bank—Simmonds & Co.	37,519	27,603	28,188	27,551	28,896
111 Reading Bk.—Stephens & Blandy	43,271	29,915	29,981	30,593	30,015
112 Richmond Bank, Richmond .....	6,889	5,797	5,612	6,090	6,155
113 Rochdale Bank .....	5,590	3,723	3,950	3,925	3,938
114 Rochester, Chatham, & Strood Bk.	10,480	7,166	7,207	7,824	7,196
115 Royston Bank .....	16,393	14,630	14,808	15,090	15,290
116 Rugby Bank .....	17,250	9,345	8,792	8,722	8,462



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Feb. 21.	Feb. 28.	Mar. 7.	Mar. 14.
	£	£	£	£	£
117 Rye Bank.....	29,864	12,872	12,297	11,828	11,547
118 Ross Old Bank, Herefordshire ...	4,420	4,020	3,993	4,267	4,085
119 Saffron Walden & North Essex Bk.	47,646	32,246	32,054	30,678	29,596
120 Salop Bank .....	22,338	14,725	14,623	14,957	15,658
121 Scarborough Old Bank .....	24,813	22,630	22,746	23,045	22,483
122 Shrewsbury Old Bank.....	43,191	39,076	38,425	39,038	39,770
123 Sittingbourne and Milton Bank...	4,789	2,220	2,217	2,415	2,397
124 Southampton Town & County Bk.	18,589	11,311	10,562	10,633	10,261
125 Southwell Bank .....	14,744	12,003	12,198	12,266	12,417
126 Southampton and Hampshire Bk.	6,770	3,046	2,936	3,125	2,998
127 Stone Bank .....	9,154	325	325	325	325
128 Stafford Old Bank .....	14,166	12,413	11,866	11,912	12,128
129 Stamford and Rutland Bank .....	31,858	26,337	26,163	27,050	28,044
130 Shrewsbury and Welsh Pool Bank	25,336	21,342	21,901	23,550	26,533
131 Taunton Bank .....	29,799	22,734	22,581	22,051	21,940
132 Tavistock Bank .....	13,421	7,570	6,966	7,496	9,050
133 Thornbury Bank .....	10,026	8,494	9,119	8,925	9,862
134 Tiverton and Devonshire Bank...	13,470	11,581	11,038	10,799	10,760
135 Thrapstone and Kettering Bank..	11,559	11,115	10,975	11,386	11,329
136 Tring Bank and Chesham Bank..	13,531	13,463	13,178	12,655	12,853
137 Towcester Old Bank .....	10,801	7,705	7,414	7,228	7,299
138 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	10,530	10,642	10,629	10,457
139 Union Bank, Cornwall .....	17,003	13,763	14,698	16,478	17,094
140 Uxbridge Old Bank .....	25,136	12,894	13,451	14,020	14,052
141 Wallingford Bank .....	17,064	7,631	7,717	7,542	7,185
142 Warwick and Warwickshire Bank	30,504	26,004	25,322	24,396	24,372
143 Wellington Bank, Somerset .....	6,528	2,673	3,037	3,223	3,154
144 West Riding Bank .....	46,158	45,046	44,447	44,489	43,936
145 Whitby Old Bank .....	14,258	13,166	12,715	12,541	12,940
146 Winchester, Alresford & Alton Bk.	25,892	17,412	16,853	17,217	16,790
147 Weymouth Old Bank .....	16,461	14,995	14,045	14,681	14,265
148 Wirksworth and Derbyshire Bk.	37,602	35,188	35,339	35,763	36,594
149 Wisbeach and Lincolnshire Bank	59,713	51,397	52,562	53,532	52,154
150 Wiveliscombe Bank.....	7,602	5,552	7,830	7,790	7,685
151 Wolverhampton Bk.—Goodricke	14,180	9,762	10,509	10,389	11,060
152 Worcester Bank .....	15,463	5,282	5,145	4,763	4,785
153 Worcester Old Bank .....	87,448	64,567	62,850	62,193	62,930
154 Wolverham. Bk.—R. & W. Fryer	11,867	10,789	10,717	10,176	10,306
155 Yarmouth and Suffolk Bank .....	53,060	43,231	41,979	42,165	41,415
156 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,937	12,673	13,055	13,013
157 York Bank .....	46,387	44,065	43,347	44,074	43,478

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	11,833	11,848	10,685	10,154
2 Barnsley Banking Company .....	9,563	8,428	9,185	9,145	8,964
3 Bradford Banking Company .....	49,192	48,836	49,739	49,255	48,653
4 Bilston District Banking Company	9,418	8,940	8,698	8,679	9,375
5 Bank of Whitehaven .....	32,681	30,230	30,290	30,377	30,641
6 Bradford Commercial Banking Co.	20,084	17,421	19,125	19,533	19,835
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	49,565	50,002	52,375	54,994



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Feb. 21.	Feb. 23.	Mar. 7.	Mar. 14.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	9,750	10,516	10,538	10,570
9 Cumberland Union Banking Co. ...	35,395	36,455	33,655	34,406	32,768
10 Coventry and Warwickshire Bk. Co.	28,734	24,041	24,427	25,055	24,700
11 Coventry Union Banking Company	16,251	12,930	13,376	13,622	14,430
12 County of Gloucester Banking Co.	144,352	112,132	110,610	114,109	114,045
13 Carlisle & Cumberland Banking Co.	25,610	23,093	22,626	22,360	23,119
14 Carlisle City and District Bank ...	19,972	19,686	19,395	20,028	19,832
15 Dudley & West Bromwich Bk. Co.	37,696	35,809	37,282	38,243	38,817
16 Derby and Derbyshire Banking Co.	20,093	19,564	20,819	19,794	19,665
17 Darlington Dist. Joint Stock Bk. Co.	26,134	24,300	22,635	22,758	22,309
18 East of England Bank .....	25,025	23,850	23,938	23,821	25,091
19 Gloucestershire Banking Company	155,920	146,517	150,237	147,899	147,997
20 Halifax Joint Stock Bank .....	18,534	16,595	18,062	18,130	17,942
21 Huddersfield Banking Company...	37,354	34,230	32,636	32,780	38,160
22 Hull Banking Company .....	29,333	24,467	25,016	24,829	24,576
23 Halifax Commercial Banking Co.	13,733	12,446	12,566	12,035	12,546
24 Halifax & Huddersfield Union Bk.	44,137	42,030	40,779	40,875	41,435
25 Helston Banking Company .....	1,503	1,472	1,539	1,508	1,411
26 Herefordshire Banking Company...	25,047	21,558	20,628	21,116	20,772
27 Knaresborough and Claro Bk. Co.	28,059	25,535	26,776	27,061	27,803
28 Kingsbridge Joint Stock Bank ....	3,952	3,193	2,979	2,728	2,441
29 Lancaster Banking Company .....	64,311	65,218	61,885	60,489	59,653
30 Leeds Banking Company .....	23,076	23,003	23,035	23,084	23,163
31 Leicestershire Banking Company...	86,060	68,992	67,971	69,790	70,967
32 Lincoln and Lindsey Banking Co.	51,620	47,974	49,817	49,618	50,243
33 Leamington Priors and Warwick- shire Bank .....	13,875	9,523	9,669	10,096	9,835
34 Ludlow and Tenbury Bank .....	10,215	9,267	9,883	10,436	10,479
35 Moore & Robinson's Notts. Bank...	35,813	33,656	37,437	35,966	34,544
36 Nottingham and Notts. Banking Co.	29,477	27,631	28,513	28,715	28,228
37 National Provincial Bk. of England	442,371	416,518	415,313	426,145	428,075
38 North Wilts Banking Company ...	63,939	40,015	40,283	39,462	39,657
39 Northamptonshire Union Bank ...	84,356	80,860	76,847	77,344	77,485
40 Northamptonshire Banking Co. ...	26,401	19,901	20,548	21,014	20,415
41 North and South Wales Bank .....	63,951	46,051	45,311	48,145	54,288
42 Parc's Leicestershire Banking Co...	59,300	48,747	49,265	50,340	50,426
43 Saddleworth Banking Company ...	8,122	2,375	2,319	2,184	2,206
44 Sheffield Banking Company .....	35,843	35,815	35,889	35,389	35,258
45 Stamford, Spalding & Boston Bk. Co.	55,721	50,406	51,385	51,945	51,577
46 Stuckey's Banking Company .....	356,976	346,242	353,516	355,835	357,445
47 Shropshire Banking Company .....	47,951	42,360	44,305	43,202	45,463
48 Stourbridge and Kidderminster Bk.	56,830	56,813	56,752	56,605	56,128
49 Sheffield and Hallamshire Bank ...	23,524	23,345	23,631	22,983	22,610
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	53,429	52,870	52,234	50,419
51 Swaledale and Wensleydale Bank..	54,372	48,950	49,710	50,390	51,036
52 Wolverhampton & Staffordsh. Bk.	35,378	36,666	35,224	35,971	33,430
53 Wakefield and Barnsley Union Bk.	14,604	13,330	13,949	13,799	14,195
54 Whitehaven Joint Stock Bank ...	31,916	28,579	27,918	27,766	27,431
55 Warwick and Leamington Bk. Co.	37,124	28,796	28,162	30,232	29,783
56 West of England and South Wales District Bank .....	83,535	74,443	75,078	76,081	76,173
57 Wilts & Dorset Banking Company	76,162	77,988	76,715	73,687	70,200
58 West Riding Union Banking Co....	34,029	31,736	31,850	32,464	33,717
59 Whitechurch and Ellesmere Bk. Co.	7,475	4,810	4,869	4,897	5,308
60 Worcester City and County Bk. Co.	6,848	6,310	5,970	5,847	6,202
61 York Union Banking Company ...	71,240	67,558	68,670	69,670	68,174
62 York City and County Banking Co.	94,695	87,570	86,860	86,899	87,358
63 Yorkshire Banking Company .....	122,532	124,420	123,150	120,113	117,672



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	Feb. 21.	Feb. 28.	March 7.	March 14.
158 Private Banks.....	£4,513,092	£3,618,985	£3,610,037	£3,652,025	£3,661,546
63 Joint-Stock Banks..	3,303,357	3,023,907	3,033,454	3,000,571	3,062,310
221 Totals .....	7,816,449	6,642,892	6,643,491	6,704,596	6,723,856

*Average Weekly Circulation of these Banks for the month ending March 14th:—*

Private Banks .....	£3,685,648
Joint-Stock Banks .....	3,043,960

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above £6,729,608*

On a comparison of the above with the Returns for the month ending 14th February last, it shows:—

<i>A decrease in the notes of Private Banks, of .....</i>	<i>£57,377</i>
<i>An increase in the notes of Joint-Stock Banks, of .....</i>	<i>5,936</i>
<b>Total decrease on the month.....</b>	<b>£51,441</b>

And, as compared with the month ending March 15th, 1856, it shows—

<i>A decrease in the notes of Private Banks, of .....</i>	<i>£53,893</i>
<i>An increase in the notes of Joint-Stock Banks, of .....</i>	<i>49,518</i>
<b>Total decrease, as compared with the same period of last year .....</b>	<b>£4,375</b>

The following is the comparative state of the circulation, as regards the fixed issues—

<i>The Private Banks are below their fixed issues.....</i>	<i>£877,441</i>
<i>The Joint-Stock Banks are below their fixed issues.....</i>	<i>260,297</i>
<b>Total BELOW the fixed issues .....</b>	<b>£1,137,741</b>

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 14th day of March, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	2,085,225	1,476,350	3,561,575	840,474
Provincial Bank of Ireland	927,667	444,040	674,809	1,118,849	427,103
Belfast Bank .....	281,611	84,587	400,021	484,609	289,939
Northern Bank .....	243,440	43,125	256,963	300,088	135,191
Ulster Bank .....	311,079	69,917	433,107	503,024	241,332
National Bank of Ireland...	852,269	576,356	628,707	1,205,064	655,159
<b>TOTALS (Irish Banks) ...</b>	<b>6,354,494</b>	<b>3,303,250</b>	<b>3,869,957</b>	<b>7,173,209</b>	<b>2,589,198</b>

### SCOTCH BANKS.

Bank of Scotland .....	300,485	118,824	248,357	367,181	150,621
Royal Bank of Scotland ...	183,000	85,047	146,970	232,018	121,863
British Linen Company .....	438,024	151,877	281,555	433,433	166,795
Commercial Bk. of Scotland	374,880	145,975	280,801	426,776	141,479
National Bank of Scotland..	297,024	100,206	205,270	305,476	83,137
Union Bank of Scotland and Banking Com. in Aberdeen	415,690	174,380	332,802	507,182	164,778
Edinburgh & Glasgow Bk...	136,657	59,756	87,405	147,161	42,185
Aberdeen Town and Co. Bk.	70,133	40,040	66,576	106,616	48,150
North of Scotland Bk. Co...	154,319	98,246	93,268	191,514	72,032
Dundee Banking Company	33,451	12,437	23,604	36,041	17,942
Eastern Bank of Scotland...	33,636	15,925	23,625	39,550	14,329
Western Bank of Scotland..	337,938	122,610	313,507	436,117	220,457
Clydesdale Banking Co. ...	104,028	44,388	100,834	145,223	72,391
City of Glasgow Bank .....	72,921	124,972	170,909	295,882	261,936
Caledonian Banking Co. ...	53,434	22,597	41,966	64,563	24,251
Perth Banking Company ...	38,656	13,108	29,144	42,253	23,444
Central Bank of Scotland...	42,933	18,556	32,936	51,492	28,464
<b>TOTALS (Scotch Banks)...</b>	<b>3,087,209</b>	<b>1,348,944</b>	<b>2,479,529</b>	<b>3,828,478</b>	<b>1,654,254</b>



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO MARCH 14, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 14th March, when added together, give the following as the average weekly circulation of these banks during the past month, viz. —

Average Circulation of the Irish Banks .. £7,173,309  
Average Circulation of the Scotch Banks 3,828,478

Total Average Circulation of these Banks for the past month ..... £11,001,687

On comparing these amounts with the Returns for the month ending 14th February last, they show—

Decrease in the Circulation of Irish Banks £90,696  
Decrease in the Circulation of Scotch Banks 139,332

Total decrease on the month ..... £210,028

And, as compared with the month ending March 16th, 1856, they show—

Increase in the Circulation of Irish Banks £581,696  
Increase in the Circulation of Scotch Banks 8,665

Total increase on the year ..... £590,361

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows:—

6 Banks in Ireland, allowed to issue... £6,354,494  
18 Banks in Scotland, allowed to issue .. 3,087,309

24 Banks in all, allowed to issue..... £9,441,703

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue .. £816,715  
Scotch Banks are above their fixed issue 741,269

Total above the fixed issue ..... £1,558,984

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks £2,509,196  
Gold and Silver held by the Scotch Banks 1,654,254

Total of Gold and Silver Coin ..... £4,243,452

Being a decrease of £122,248 on the part of the Irish Banks and a decrease of £68,149 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO MARCH 14, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 14th March, 1857:—

Circulation of Notes for the Month ending 14th March, as compared with the previous month:—

	Feb. 14.	Mar. 14.	Increase.	Decrease.
Bank of England .....	£18,983,205	£18,639,104	—	£344,101
Private Banks .....	3,693,025	3,635,645	—	57,377
Joint-Stock Banks .....	3,037,124	3,043,960	£6,836	—
<b>Total in England .....</b>	<b>25,713,354</b>	<b>25,317,812</b>	<b>—</b>	<b>401,478</b>
Scotland .....	3,957,816	3,828,478	—	129,332
Ireland .....	7,353,905	7,173,309	—	50,696
<b>United Kingdom .....</b>	<b>£36,925,069</b>	<b>£36,319,499</b>	<b>£6,836</b>	<b>£611,506</b>

The comparison of the month ending March 15th, 1856, with the month ending March 14th, 1857, shows a decrease in the Bank of England circulation of £8,390, a decrease in Private Banks of £53,893 and an increase in Joint-Stock Banks of £49,518; being a total decrease in England of £12,765; while in Scotland there is an increase of £8,665; and in Ireland an increase of £581,696. Thus showing that the month ending 14th March, as compared with the same period last year, presents a decrease of £12,765 in England, and an increase of £577,596 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending March 14th, gives an aggregate amount in both departments of £10,339,141. On a comparison of this with the Return for the month ending February 14th, there appears to be an increase of £215,350; and a decrease of £230,613 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 14th March, was £4,243,452; being a decrease of £190,397 as compared with the return of the previous month, and an increase of £367,020 as compared with the corresponding period last year.



THE ENGLISH FUNDS.—Daily Prices from 28th March, to 24th April, 1857, inclusive.

	28	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Bank Stock, div 4½ p.c. year	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut
5 per Ct. Red. Anns.	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut
New 3 per cent. Anns.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½
New 3 per cent. Anns.	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	
Ditto ex. div. for opening	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	
New 2½ per cent.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
5 per cent.	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	
Long Anns. Jan. 5, 1856	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	
Ditto 30 years, Oct. 10, 1859	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	
Ditto 30 years, Jan. 5, 1856	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	
Ditto 30 years, Apr. 5, 1858	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	
India Stock (div. 104 percent.)	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	
Do. Bonds £1000 (div. 4 p.c.)	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	
Ditto, under £500	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	
Ditto, under £1000	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	12d	
Bank stock for 28th May	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
3 P. Ct. Cons. for 8th April	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
Ditto, account 7th May	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
Ex. Bills £1000, 4½d. per 100	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
Ditto, Small do.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
Ditto, Advertis'd	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
Ditto Bonds A 1938 3½ p.c.	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
Ditto under £1000	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
Ditto B 1859	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	
Ditto under £1000	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	93½	

GOOD FRIDAY.

JOINT-STOCK BANKS.

	London	Paris	Amst.
Australais	£40 sh.	£40 sh.	£40 sh.
British North American	50	50	50
Bank of London	100	100	100
Commercial of London	100	100	100
Colonial	100	100	100
City Bank	100	100	100
London and Westminster	100	100	100
London Joint Stock	50	50	50
Oriental Bank	50	50	50
Provincial of Ireland	50	50	50
National Bank	50	50	50
National Provincial of England	150	150	150
South Australian	25	25	25
Union of Australia	25	25	25
London and County	50	50	50
London Chartered of Australia	20	20	20
Bank of India, & Austr. Chartrd.	20	20	20
Eng. Scot., China, & Australia	20	20	20
Bank of Egypt	20	20	20
Ottoman Bank	20	20	20

FOREIGN STOCKS

Brazilian Bonds, 5 per Cent.	100½
Chilian Bonds, 6 per Cent.	105
Danish 5 per Cent.	103
Mexican 3 per Cent.	23½
Peruvian 4½ per Cent.	76½
Portuguese Bonds, 3 per Cent.	44½
Russian Bonds, 1852, 3 per Cent.	108
Ditto, 4½ per Cent.	95½
Spanish Bonds 3 per Cent.	43
Ditto, 3 per Cent. Deferred	23½
Turkish 6 per Cent.	93
(Dividends on the above payable in London.)	95
Dutch 2½ per Cent.	65
Ditto 4 per Cent. Loan	97½
French 4½ per Cent., at Paris, April 25, 1857.	25c.
Ditto 3 per Cent., ditto	69½

RAILWAY SHARES.

COMPANY.	PAID UP	PRICE
Caledonian.	100	108½
Eastern Counties.	20	11½
Great Northern.	100	95½
Great Western.	100	66
London and Blackwall	13½	61
London and Brighton	100	109
North-West.	100	104½
Midland	100	103½
South-Eastern	100	81
York, Newcastle, & Berwick	100	76½
York & North Midland.	100	86½

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows:—

## ISSUE DEPARTMENT.

	1857. Mar. 21st.	1857. Mar. 28th.	1857. April 4th.	1857. April 11th.
Notes issued.....	£ 24,065,150	£ 23,664,990	£ 23,045,180	£ 22,796,165
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	3,459,000	3,459,000	3,459,000	3,459,000
Gold coin and bullion .....	9,590,160	9,209,990	8,570,180	8,321,165
Silver bullion .....	—	—	—	—
	24,065,100	23,664,990	23,045,180	22,796,165

## BANKING DEPARTMENT.

	1857. Mar. 21st.	1857. Mar. 28th.	1857. April 4th.	1857. April 11th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,813,985	3,820,600	3,842,182	3,337,630
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts) ....	8,906,791	9,031,051	9,019,533	5,116,350
Other deposits.....	9,002,845	10,187,450	9,419,012	10,481,057
Seven day and other bills .....	600,966	696,848	743,040	717,387
	37,867,587	38,394,450	37,576,776	34,105,333
Government securities (including Dead Weight Annuities) ....	11,646,018	11,646,018	11,645,974	11,333,126
Other securities .....	19,098,713	21,342,752	21,649,797	18,984,640
Notes.....	5,460,720	4,628,120	3,807,475	3,044,120
Gold and silver coin .....	722,137	777,569	773,540	742,447
	37,637,587	38,394,450	37,576,776	34,105,333

## The Exchanges.

	March 13th.	March 20th.	March 27th.	April 3rd.
Amsterdam, short ..	11 15½	11 16	11 16½	11 16½
Ditto 3 months..	11 18½	11 18½	11 18½	11 18½
Rotterdam, ditto ..	11 18½	11 18½	11 18½	11 18½
Antwerp, ditto ..	25 50½	25 47½	25 50	25 47½
Brussels, ditto .....	25 50	25 47½	25 50	25 47½
Hamburg, ditto.....	13 7½	13 8½	13 8½	13 8½
Paris, short .....	25 25	25 30	25 27½	25 27½
Paris, 3 months .....	25 65	25 70	25 72½	25 67½
Marseilles, ditto .....	25 67½	25 70	25 72½	25 67½
Frankfort, ditto .....	119½	119½	119½	119½
Vienna, ditto.....	10 27	10 27	10 29	10 31
Trieste, ditto.....	10 28	10 29	10 30	10 32
Petersburgh, ditto ..	37½	37½	37½	37½
Madrid, ditto .....	49½	49½	49½	49½
Cadix, ditto .....	50½	50	50	50
Leghorn, ditto .....	29 42½	29 42½	29 45	29 45
Genoa, ditto .....	25 72½	25 75	25 75	25 72½
Naples, ditto.....	43½	43½	43	43½
Palermo, ditto .....	130	130	130	130½
Messina, ditto .....	130½	130½	130½	130½
Lisbon, ditto .....	51½	51½	52½	52½
Oporto, ditto .....	52	52½	52½	52½
Rio Janeiro 60 dys. 'dte	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£3 17 9	£3 17 10	£3 17 10	£3 17 10
(Standard) .....	0 0 0	0 5 0½	0 5 1	0 0 0
Mexican Dollars .....	0 5 1½	0 5 1½	0 5 1½	0 0 0
Silver in Bars (Stand.)..	—	—	—	—



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTES.

## PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Mar. 21.	Mar. 28.	April 4.	April 11.
	£	£	£	£	£
1 Andover Bank .....	17,751	11,889	12,735	11,510	11,897
2 Ashford Bank .....	11,849	12,095	11,611	12,348	11,215
3 Aylesbury Old Bank .....	48,461	29,653	30,175	30,922	31,516
4 Baldock and Biggleswade Bank ...	37,223	28,170	28,779	30,227	30,644
5 Barnstable Bank .....	17,182	9,475	10,475	10,476	10,501
6 Basingstoke and Odiham Bank ...	24,730	22,850	23,635	23,385	23,498
7 Bedford Bank .....	34,218	34,005	33,806	34,210	33,558
8 Bewdley Bank .....	18,597	9,706	10,196	10,779	10,729
9 Bicester and Oxfordshire Bank ...	27,090	13,850	14,186	14,401	14,910
10 Birmingham Bank—Attwoods & Co.	23,695	24,016	24,014	23,249	23,417
11 Birmingham and Warwickshire Bk.	18,132	9,111	9,184	8,829	9,535
12 Blandford Bank .....	9,723	7,330	7,193	7,015	7,103
13 Boston Bank—Garfit and Co. ....	75,069	69,601	75,305	80,754	70,180
14 Boston Bank—Gee and Co. ....	15,161	15,173	15,387	14,564	13,759
15 Bridgewater Bank .....	10,028	6,904	7,262	7,215	7,078
16 Bristol Bank .....	48,277	30,081	30,878	33,615	34,380
17 Broseley and Bridgenorth Bank ...	26,717	15,861	17,069	17,029	17,412
18 Buckingham Bank .....	29,557	23,633	23,257	23,275	23,427
19 Bury and Suffolk Bank .....	82,362	67,816	67,314	69,677	70,885
20 Banbury Bank .....	43,457	34,602	35,712	36,830	36,753
21 Banbury Old Bank .....	55,153	28,055	29,721	29,978	29,933
22 Bedfordshire Leighton Buzzard Bk.	36,829	34,571	35,265	35,271	36,293
23 Birmingham Bk.—Lloyds & Co. ...	38,816	29,487	30,215	30,781	32,314
24 Bradford Old Bank .....	12,676	11,421	11,570	11,877	12,490
25 Brecon Old Bank .....	68,271	52,620	50,465	52,090	58,505
26 Brighton Union Bank .....	33,794	18,328	19,014	19,725	20,204
27 Burlington and Driffield Bank .....	12,745	11,382	11,075	12,061	13,032
28 Bury St. Edmund's Bank .....	3,201	3,035	3,216	2,953	2,636
29 Cambridge Bk.—Mortlock & Co.	25,744	13,624	13,935	15,583	15,999
30 Cambridge and Cambridgeshire Bk.	49,916	48,635	49,207	49,760	50,001
31 Canterbury Bank .....	33,671	26,761	26,235	26,623	28,670
32 Carmarthen Bank .....	23,597	21,217	21,107	20,729	20,645
33 Chertsey Bank .....	3,436	2,564	2,724	2,556	2,545
34 Colchester Bank .....	25,082	16,393	17,929	18,479	18,456
35 Colchester and Essex Bank .....	48,704	33,691	33,766	35,115	37,373
36 Cornish Bank—Tweedy & Co. ...	49,869	44,977	45,337	46,394	47,375
37 Coventry Bank .....	12,045	6,389	6,447	6,793	6,689
38 City Bank, Exeter .....	21,527	20,255	20,737	21,152	21,318
39 Craven Bank—Alcocks & Co. ...	77,154	75,702	76,115	76,598	77,261
40 Chepstow Old Bank .....	9,387	7,710	7,974	8,213	8,788
41 Derby Bank—Messrs. Evans .....	13,332	12,337	12,643	13,341	13,785
42 Derby Bank—Smith and Co. ....	41,304	41,871	44,705	40,616	37,775
43 Derby Old Bank .....	27,237	26,252	27,580	27,912	27,095
44 Devizes and Wiltshire Bank .....	20,674	7,389	7,747	7,495	7,740
45 Diss Bank .....	10,657	10,137	10,090	10,287	10,192
46 Doncaster Bank and Retford Bank	77,400	69,837	71,477	74,304	77,045
47 Darlington Bank ..	86,218	86,990	87,582	85,153	83,360
48 Devonport Bank .....	10,664	9,178	9,678	10,327	10,608
49 Dorchester Old Bank .....	48,807	45,598	46,143	47,633	49,882
50 East Cornwall Bk.—Robins & Co.	112,280	88,459	91,153	94,445	96,330
51 East Riding Bank—Bower & Co.	53,392	55,198	55,179	52,793	49,232
52 Essex Bk. & Bishops Stortford Bk.	69,637	44,644	44,863	46,490	46,948
53 Exeter Bank .....	37,894	23,670	24,929	25,757	26,234
54 Faringdon Bk. & Bk. of Wantage	8,977	7,400	7,340	7,195	8,212
55 Farnham Bank .....	14,202	11,988	11,710	11,592	11,804
56 Faversham Bank .....	6,681	5,430	5,771	6,233	6,739
57 Godalming Bank .....	6,322	4,968	4,986	4,902	5,071



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Mar. 21.	Mar. 22.	April 4.	April 11.
	£	£	£	£	£
58 Guildford Bank .....	14,524	12,555	13,120	13,314	12,880
59 Grantham Bank—Hardy and Co.	30,372	27,252	27,454	30,283	30,072
60 Hastings Old Bank .....	38,038	29,802	29,704	30,580	31,112
61 Hereford City and County Bank.	22,364	15,277	16,016	17,610	18,124
62 Hull & Kingston-upon-Hull Bank	19,979	17,822	18,995	20,795	22,225
63 Huntingdon Town & County Bank	56,591	50,108	50,333	51,095	52,629
64 Harwich Bank .....	5,778	5,172	5,811	6,004	5,704
65 Hertfordshire, Hitchin Bank .....	38,764	32,922	34,470	35,291	35,040
66 Hereford, Ross, & Archenfield Bk.	27,525	24,191	24,074	23,530	24,301
67 Ipswich Bank .....	21,901	20,853	21,165	21,444	21,409
68 Ipswich & Needham Market Bank	80,699	62,752	63,840	66,037	67,013
69 Kentish Bank—Mercer & Co. ...	19,895	12,966	13,318	13,025	11,812
70 Kingston and Radnorshire Bank.	26,050	24,956	24,962	25,506	26,669
71 Knaresborough Old Bank .....	21,825	20,930	21,270	22,153	22,144
72 Kendal Bank .....	44,663	43,116	44,690	44,578	44,807
73 Kettering Bank .....	9,192	8,775	8,703	9,004	9,795
74 Longton Staffordshire Bank .....	5,624	5,322	5,346	5,289	5,330
75 Leeds Bank .....	53,357	53,297	53,341	53,412	52,980
76 Leeds Union Bank .....	37,459	36,830	37,285	37,570	37,865
77 Leicester Bank .....	32,322	30,801	31,524	30,336	30,886
78 Lewes Old Bank .....	44,836	25,651	25,958	26,616	26,610
79 Lincoln Bank .....	100,342	84,503	87,477	92,866	100,920
80 Llandoverly Bank & Llandilo Bank	32,945	19,853	21,086	19,904	19,515
81 Loughborough Bank .....	7,359	6,970	7,773	7,409	7,003
82 Lymington Bank .....	5,038	3,405	3,486	3,666	3,902
83 Lynn Regis and Lincolnshire Bank	42,817	37,212	37,137	37,475	38,332
84 Lynn Regis and Norfolk Bank ...	13,917	13,649	12,950	12,700	13,713
85 Macclesfield Bank .....	15,760	14,190	14,850	15,094	15,040
86 Manningtree Bank .....	7,692	2,163	2,391	2,244	2,125
87 Merionethshire Bank .....	10,906	5,613	5,839	6,283	7,184
88 Miners' Bank .....	18,688	16,971	17,613	17,824	17,601
89 Monmouthshire Agricultural and Commercial Bank .....	29,335	27,723	28,309	27,866	30,428
90 Monmouth Old Bank .....	16,385	14,780	15,323	15,316	15,491
91 Newark Bank .....	28,788	25,538	26,347	26,764	28,806
92 Newark and Sleaford Bank .....	51,615	48,320	48,703	50,027	52,128
93 Newbury Bank .....	36,787	17,446	17,670	17,544	17,964
94 Newmarket Bank .....	23,098	19,875	19,314	19,122	19,533
95 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	47,515	49,104	49,610	50,139
96 Norwich and Norfolk Bank .....	99,665	98,045	101,400	104,267	108,006
97 Nottingham, Nottinghamshire ...	10,866	10,623	10,824	11,182	10,742
98 Nuneaton Bank .....	5,898	3,203	3,845	3,740	3,613
99 Naval Bank, Plymouth .....	27,321	21,262	21,624	23,102	24,545
100 New Sarum Bk.—Everett & Smith	15,659	8,490	8,531	8,292	8,913
101 Nottingham Bank .....	31,047	32,219	32,390	30,162	29,332
102 Oswestry Bank .....	18,471	11,306	11,341	11,948	12,195
103 Oxford Old Bank .....	34,391	31,522	32,535	32,691	32,542
104 Old Bank, Tonbridge .....	13,183	7,852	7,870	8,410	8,505
105 Oxfordshire Witney Bank .....	11,852	11,401	11,750	11,446	10,755
106 Pease's Old Bank, Hull .....	48,507	47,740	47,158	47,360	48,434
107 Penzance Bank .....	11,405	9,316	9,084	9,498	9,804
108 Peterborough Bank—Yorke & Co.	12,545	8,801	9,411	9,383	10,500
109 Pembrokehire Bank .....	12,910	11,406	11,165	10,947	10,660
110 Reading Bank—Simmonds & Co.	37,519	28,347	28,735	29,332	29,964
111 Reading Bk.—Stephens & Blandy	43,271	29,796	30,163	30,758	30,976
112 Richmond Bank, Richmond .....	6,889	6,170	6,445	6,341	6,448
113 Rochdale Bank .....	5,590	3,741	3,875	4,043	4,003
114 Rochester, Chatham, & Strood Bk.	10,480	7,008	7,441	7,389	7,506
115 Royston Bank .....	16,393	15,627	15,767	15,411	15,255
116 Rugby Bank .....	17,250	8,789	9,243	11,016	11,112



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Mar. 21.	Mar. 28.	April 4.	April 11.
	£	£	£	£	£
117 Rye Bank.....	29,864	11,778	12,160	13,780	13,912
118 Ross Old Bank, Herefordshire ...	4,420	4,613	4,313	4,030	3,897
119 Saffron Walden & North Essex Bk.	47,646	29,364	31,139	30,121	29,691
120 Salop Bank .....	22,338	15,139	15,084	15,817	16,444
121 Scarborough Old Bank .....	24,813	22,497	22,785	23,620	24,286
122 Shrewsbury Old Bank.....	43,191	38,727	38,205	39,521	42,867
123 Sittingbourne and Milton Bank...	4,789	2,397	2,540	2,394	2,485
124 Southampton Town & County Bk.	18,589	10,404	10,104	11,336	11,906
125 Southwell Bank .....	14,744	12,531	12,399	13,424	13,769
126 Southampton and Hampshire Bk.	6,770	2,962	3,049	3,275	3,359
127 Stone Bank .....	9,114	325	325	325	325
128 Stafford Old Bank .....	14,166	11,489	13,616	14,032	14,330
129 Stamford and Rutland Bank .....	31,858	29,273	29,900	30,239	32,103
130 Shrewsbury and Welsh Pool Bank	25,336	25,195	25,620	24,947	23,721
131 Taunton Bank .....	29,799	22,681	23,401	24,213	24,251
132 Tavistock Bank .....	13,421	8,828	9,479	10,075	11,182
133 Thornbury Bank .....	10,026	10,130	10,279	10,211	9,363
134 Tiverton and Devonshire Bank ...	13,470	11,100	11,505	11,365	11,639
135 Thrapstone and Kettering Bank..	11,559	11,306	11,253	11,227	11,575
136 Tring Bank and Chesham Bank..	13,531	12,954	13,413	13,370	13,746
137 Towcester Old Bank .....	10,801	7,610	7,980	7,728	8,195
138 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	10,522	10,406	10,647	11,017
139 Union Bank, Cornwall .....	17,003	16,230	17,043	17,481	16,717
140 Uxbridge Old Bank .....	25,136	13,938	14,090	14,526	14,761
141 Wallingford Bank .....	17,064	7,405	7,859	7,951	8,150
142 Warwick and Warwickshire Bank	30,504	24,170	24,472	23,874	24,109
143 Wellington Bank, Somerset .....	6,528	3,147	3,005	3,070	2,899
144 West Riding Bank .....	46,158	44,560	45,708	46,727	46,245
145 Whitby Old Bank .....	14,258	12,595	12,943	13,873	13,937
146 Winchester, Alresford & Alton Bk.	25,892	16,969	17,242	18,286	19,021
147 Weymouth Old Bank .....	16,461	14,209	14,355	14,982	15,362
148 Wirksworth and Derbyshire Bk.	37,602	36,901	37,397	37,673	36,079
149 Wisbeach and Lincolnshire Bank	59,713	52,419	53,848	55,637	57,919
150 Wiveliscombe Bank .....	7,602	7,357	7,148	6,805	6,935
151 Wolverhampton Bk.—Goodricke	14,180	11,151	11,365	11,565	12,784
152 Worcester Bank .....	15,463	4,752	4,988	4,760	5,036
153 Worcester Old Bank .....	87,448	63,036	64,044	63,806	64,521
154 Wolverham. Bk.—R. & W. Fryer	11,867	10,230	10,700	10,551	11,902
155 Yarmouth and Suffolk Bank .....	53,060	41,370	41,694	42,184	43,243
156 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,986	12,817	13,231	12,895
157 York Bank .....	46,387	43,948	43,540	44,660	45,261

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	10,035	9,865	9,838	9,886
2 Barnsley Banking Company .....	9,563	9,220	9,120	9,330	9,598
3 Bradford Banking Company .....	49,292	47,103	47,471	47,850	49,995
4 Bilston District Banking Company	9,418	8,521	8,836	9,307	10,521
5 Bank of Whitehaven.....	32,681	31,140	30,937	31,172	32,155
6 Bradford Commercial Banking Co.	20,084	20,302	20,301	19,699	19,707
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	55,757	59,691	62,330	62,700



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Mar. 21.	Mar. 28.	April 4.	April 11.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,423	10,345	10,330	10,101	10,078
9 Cumberland Union Banking Co ...	35,395	34,709	34,464	35,230	35,422
10 Coventry and Warwickshire Bk. Co.	28,734	25,193	26,325	28,034	29,000
11 Coventry Union Banking Company	16,251	15,055	16,198	16,228	16,417
12 County of Gloucester Banking Co.	144,352	113,362	115,983	120,825	125,296
13 Carlisle & Cumberland Banking Co.	25,610	23,768	24,324	24,658	25,154
14 Carlisle City and District Bank ...	19,972	19,842	20,146	20,262	19,313
15 Dudley & West Bromwich Bk. Co.	37,696	40,894	39,482	37,438	32,075
16 Derby and Derbyshire Banking Co.	20,093	20,324	21,286	18,871	18,133
17 Darlington Dist. Joint Stock Bk. Co.	26,134	23,013	22,789	24,670	25,730
18 East of England Bank	25,025	25,325	27,012	25,670	21,411
19 Gloucestershire Banking Company	155,920	151,791	155,169	153,774	153,283
20 Halifax Joint Stock Bank.....	18,534	18,316	18,184	18,674	18,501
21 Huddersfield Banking Company...	37,354	38,269	36,499	36,244	36,225
22 Hull Banking Company .....	29,333	23,267	23,671	25,632	26,406
23 Halifax Commercial Banking Co...	13,733	13,148	13,287	14,133	14,227
24 Halifax & Huddersfield Union Bk.	44,137	42,842	43,568	43,733	41,941
25 Helston Banking Company .....	1,503	1,495	1,542	1,463	1,384
26 Herefordshire Banking Company...	25,047	21,307	23,163	24,310	25,073
27 Knaresborough and Claro Bk. Co.	28,059	28,845	27,545	28,231	26,266
28 Kingsbridge Joint Stock Bank ....	3,952	2,700	2,926	2,924	2,976
29 Lancaster Banking Company .....	64,311	57,041	57,101	59,498	61,540
30 Leeds Banking Company .....	23,076	23,069	23,150	22,970	22,927
31 Leicestershire Banking Company...	86,060	72,900	75,171	78,908	82,977
32 Lincoln and Lindsey Banking Co.	51,620	53,424	52,181	48,377	46,166
33 Leamington Priors and Warwick- shire Bank .....	13,875	10,107	10,320	10,600	11,158
34 Ludlow and Tenbury Bank .....	10,215	9,850	10,346	9,794	10,005
35 Moore & Robinson's Notts. Bank...	35,813	35,016	39,695	37,178	29,740
36 Nottingham and Notts. Banking Co.	29,477	28,576	29,080	29,365	29,634
37 National Provincial Bk. of England	442,371	441,000	449,705	426,532	422,400
38 North Wilts Banking Company ...	63,939	41,633	43,820	44,083	43,897
39 Northamptonshire Union Bank ...	84,356	80,544	83,425	85,496	87,973
40 Northamptonshire Banking Co. ...	26,401	20,838	21,365	21,867	23,678
41 North and South Wales Bank .....	63,951	54,270	60,949	65,690	62,740
42 Pare's Leicestershire Banking Co...	59,300	51,048	54,374	58,472	61,706
43 Saddleworth Banking Company ...	8,122	2,178	2,088	2,058	1,855
44 Sheffield Banking Company.....	35,843	35,364	35,896	37,085	34,513
45 Stamford, Spalding & Boston Bk. Co.	55,721	54,647	33,480	55,998	52,178
46 Stuckey's Banking Company .....	356,976	360,123	355,408	348,865	350,700
47 Shropshire Banking Company.....	47,951	45,466	47,386	47,338	50,054
48 Stourbridge and Kidderminster Bk.	56,830	56,915	56,482	56,193	56,467
49 Sheffield and Hallamshire Bank ...	23,524	21,661	24,334	24,873	23,108
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,143	53,534	51,612	52,483
51 Swaledale and Wensleydale Bank...	54,372	52,505	52,590	53,210	53,089
52 Wolverhampton & Staffordsh. Bk...	35,378	31,530	33,638	35,871	36,418
53 Wakefield and Barnsley Union Bk.	14,604	13,971	14,215	14,049	14,165
54 Whitehaven Joint Stock Bank ...	31,916	27,083	26,939	28,867	29,029
55 Warwick and Leamington Bk. Co.	37,124	29,439	30,647	31,355	34,285
56 West of England and South Wales District Bank.....	83,535	78,000	80,040	81,397	87,392
57 Wilts & Dorset Banking Company	76,162	71,234	74,668	75,368	76,927
58 West Riding Union Banking Co....	34,029	33,484	33,590	33,073	33,701
59 Whitchurch and Ellesmere Bk. Co.	7,475	5,850	6,113	6,206	6,252
60 Worcester City and County Bk. Co.	6,848	6,148	6,140	6,693	6,965
61 York Union Banking Company ...	71,240	70,040	70,871	70,479	70,665
62 York City and County Banking Co.	94,695	89,405	91,254	90,910	91,444
63 Yorkshire Banking Company .....	122,532	122,791	123,186	121,980	119,701



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	March 21.	March 28.	April 4.	April 11.
158 Private Banks.....	£4,513,092	£3,662,922	£3,734,224	£3,798,830	£3,843,256
63 Joint-Stock Banks..	3,303,357	3,115,181	3,153,295	3,173,031	3,176,305
<b>Totals .....</b>	<b>7,816,449</b>	<b>6,778,103</b>	<b>6,887,519</b>	<b>6,971,861</b>	<b>7,019,561</b>

<i>Average Weekly Circulation of these Banks for the month ending April 11th:—</i>		<i>And, as compared with the month ending April 12th, 1856, it shows—</i>	
Private Banks .....	£3,759,808	<i>A decrease in the notes of Private Banks, of .....</i>	
Joint-Stock Banks .....	3,184,433	<i>An increase in the notes of Joint-Stock Banks, of .....</i>	
<b>Average Weekly Circulation of Private and Joint-Stock Banks ending as above</b>	<b>£6,942,241</b>	<b>Total decrease, as compared with the same period of last year .....</b>	
<i>On a comparison of the above with the Returns for the month ending 14th March last, it shows:—</i>		<i>The following is the comparative state of the circulation, as regards the fixed issues—</i>	
<i>An increase in the notes of Private Banks, of .....</i>		<i>The Private Banks are below their fixed issues.....</i>	
<i>An increase in the notes of Joint-Stock Banks, of .....</i>		<i>The Joint-Stock Banks are below their fixed issues.....</i>	
<b>Total increase on the month.....</b>	<b>£355,553</b>	<b>Total below the fixed issues .....</b>	
		<b>£903,188</b>	

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 11th day of April, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	2,087,200	1,470,775	3,557,975	862,507
Provincial Bank of Ireland	927,667	453,532	660,850	1,114,382	415,208
Belfast Bank .....	281,611	86,385	407,630	494,015	270,706
Northern Bank .....	243,440	47,301	251,494	298,796	136,719
Ulster Bank .....	311,079	75,470	421,382	496,852	225,924
National Bank of Ireland...	852,269	579,085	613,173	1,192,258	582,468
<b>TOTALS (Irish Banks) ...</b>	<b>6,354,494</b>	<b>3,328,973</b>	<b>3,825,304</b>	<b>7,154,278</b>	<b>2,493,532</b>

### SCOTCH BANKS.

Bank of Scotland .....	300,485	119,700	249,220	368,920	144,352
Royal Bank of Scotland ...	183,000	87,916	146,211	234,127	120,066
British Linen Company .....	438,024	157,406	279,173	436,579	175,125
Commercial Bk. of Scotland	374,880	144,076	278,485	422,561	127,830
National Bank of Scotland..	297,024	101,027	202,570	303,597	73,990
Union Bank of Scotland and Banking Com. in Aberdeen	415,690	177,182	332,153	509,335	152,076
Edinburgh & Glasgow Bk...	136,657	61,940	86,891	148,831	46,781
Aberdeen Town and Co. Bk.	70,133	41,252	67,648	108,900	47,209
North of Scotland Bk. Co...	154,319	103,047	91,115	194,163	71,633
Dundee Banking Company	33,451	12,450	23,384	35,834	17,746
Eastern Bank of Scotland...	33,636	15,701	24,717	40,418	13,601
Western Bank of Scotland..	337,938	117,534	317,906	435,440	205,570
Clydesdale Banking Co. ...	104,028	45,178	100,456	145,635	60,870
City of Glasgow Bank .....	72,921	122,340	168,499	290,839	250,692
Caledonian Banking Co. ...	53,434	20,302	51,332	61,634	24,796
Perth Banking Company ...	38,656	13,772	29,905	43,677	23,944
Central Bank of Scotland...	42,933	18,630	33,465	52,095	28,445
<b>TOTALS (Scotch Banks)...</b>	<b>3,087,209</b>	<b>1,359,453</b>	<b>2,473,130</b>	<b>3,832,585</b>	<b>1,584,726</b>



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO APRIL 11, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 11th April, when added together, give the following as the average weekly circulation of these banks during the past month, viz. —

Average Circulation of the Irish Banks... £7,154,378  
Average Circulation of the Scotch Banks 2,832,585

Total Average Circulation of these Banks for the past month ..... £10,986,863

On comparing these amounts with the Returns for the month ending 14th March last, they show—

Decrease in the Circulation of Irish Banks £18,981  
Increase in the Circulation of Scotch Banks 4,107

Total decrease on the month ..... £14,824

And, as compared with the month ending April 12th, 1856, they show—

Increase in the Circulation of Irish Banks £679,536  
Increase in the Circulation of Scotch Banks 49,202

Total increase on the year..... £728,738

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows:—

6 Banks in Ireland, allowed to issue... £6,354,494  
18 Banks in Scotland, allowed to issue .. 3,087,309

24 Banks in all, allowed to issue..... £9,441,793

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue .. £799,784  
Scotch Banks are above their fixed issue 745,376

Total above the fixed issue ..... £1,545,160

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks £2,498,332  
Gold and Silver held by the Scotch Banks 1,584,736

Total of Gold and Silver Coin ..... £4,078,338

Being a decrease of £95,666 on the part of the Irish Banks and a decrease of £69,528 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO APRIL 11, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 11th April, 1857:—

Circulation of Notes for the Month ending 11th April, as compared with the previous month:—

	Mar. 14.	April 11.	Increase.	Decrease.
Bank of England .....	£18,639,104	£19,232,765	£593,661	—
Private Banks .....	3,635,645	3,750,808	114,160	—
Joint-Stock Banks .....	3,043,060	3,154,453	£111,393	—
<b>Total in England .....</b>	<b>25,317,812</b>	<b>26,147,026</b>	<b>829,214</b>	<b>—</b>
Scotland .....	3,828,478	3,832,585	4,107	—
Ireland.....	7,173,209	7,154,278	—	£18,981
<b>United Kingdom.....</b>	<b>£36,319,499</b>	<b>£37,133,889</b>	<b>£833,321</b>	<b>£18,981</b>

The comparison of the month ending April 12th, 1856, with the month ending April 11th, 1857, shows an *increase* in the Bank of England circulation of £18,474, a *decrease* in Private Banks of £95,152 and an *increase* in Joint-Stock Banks of £21,365; being a total *decrease* in England of £55,313; while in Scotland there is an *increase* of £49,202; and in Ireland an *increase* of £679,536. Thus showing that the month ending 11th April, as compared with the same period last year, presents a *decrease* of £55,313 in *England*, and an *increase* of £673,425 in the *United Kingdom*.

The return of Bullion in the Bank of England, for the month ending April 11th, gives an aggregate amount in both departments of £9,679,547. On a comparison of this with the Return for the month ending March 14th, there appears to be a *decrease* of £659,594; and a *decrease* of £564,907 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 11th April, was £4,078,258; being a *decrease* of £165,194 as compared with the return of the previous month, and an *increase* of £274,941 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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JUNE, 1887.

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## THE SAVINGS BANK BILL.

CONSIDERING their great utility in the internal polity of the country, savings banks are entitled to hold a high rank amongst our existing institutions. At all times, even in periods of the greatest depression, there will be a surplus in the wages of labour over and above the cost of sustaining the labour power. Instances there may be when competition has brought down the rate of remuneration to such exact proportions with the expenditure for food, clothing and lodging, as to leave no balance, even though the most rigid economy may be exercised; but these are rare. Still more exceptional are the cases where the value of labour is so much reduced that its money produce in its first operation, as between the labourer and the capitalist who sets it in motion, is insufficient to provide the necessaries of life. It may be taken, then, as a rule, that there is always a surplus—infinitesimal, probably, in its daily or weekly, and inconsiderable in its annual accumulation, taking each individual case separately, but in its aggregate enormous. Where the ramifications of industrial enterprise are so varied, so intricate, and withal so extensive, as they are in this country, what that annual aggregate may amount to, it is extremely difficult to hazard even a conjecture. Certain it is, that we have no statistics which enable us to form an approximate idea of it. Taking into account, however, the numerical strength of the labouring classes—in which must be included all who depend upon labour of hand or head for their daily subsistence, as distinguished from those who live upon the interest or profits arising from the investment or employment of capital, the money representation of realised and accumulated labour profit—and comparing it with the number of those who habitually



make investments of surplus earnings, and the amount of those investments, so far as the savings bank and friendly societies' returns enable us to ascertain them, there can be little doubt that the annual aggregate which might be hived would be more than sufficient to render—except in cases of accident, unexpected reverses and vicissitudes out of the category of ordinary events—appeals for eleemosynary aid altogether unnecessary.

Eight million pounds, it appears, are paid into the savings banks annually in the shape of deposits by about 1,340,000 depositors, the average amount in each individual case being £5 2s. 3d. What may be the total sum paid in every year to benefit societies, trades' union clubs, burial societies, building societies, money clubs, assurance offices (in respect of policies from £50 to £200 or £300), and other institutions which compete with the savings banks for the custody of the savings of the wages-earning portion of the population, any estimate that may be formed must, for the reasons already alluded to, be in its widest sense, speculative; but it would surely not be to err on the side of exaggeration to put it down at half that sum. Add to this the amount expended every year in ardent spirits and intemperate indulgences of one kind or another, which are not only useless but positively injurious to the animal economy, and which, by deteriorating and diminishing the labour power of the individual, impose upon him a negative loss far greater than the money-cost of the indulgence—and we have a margin between the expenditure requisite for keeping up the labour power to an efficient standard, and the amount in money which that labour realises, or is capable of realising, and which is, therefore, the investible surplus, of certainly not less than £20,000,000 annually.

It would be vain to hope that any fostering care on the part of the Government and the Legislature—any extension of the means of education—or any exhortations of the pulpit or the press, would bring about a state of things which would constitute almost a millennium—i.e., when all, or within a fraction of all, the earnings of the people were devoted to the purposes of utility and profit to themselves. At the same time, experience has proved, that as facilities for the investment of small savings are afforded, combined with security, the public are always ready to avail themselves of them; and that in proportion as they do so, habits of economy and prudence prevail and increase, and a higher moral tone pervades the great substratum of society. Any proposition for increasing the accommodation afforded by the people's banks—which the savings banks emphatically are—of adding to the public confidence in their stability



and of attracting deposits to their counters, is consequently deserving of attention, not only for the advantage it is calculated to confer upon the classes for whose benefit it is ostensibly brought forward, but indirectly as a boon to the nation generally.

The bill laid on the table of the House of Commons during the past month by the Chancellor of the Exchequer, and which, with some slight changes, is but a reprint of that which the right hon. baronet introduced at the commencement of the last session, proposes to make one decided step in advance. It proposes to give to all savings banks established under that act the security of a Government guarantee, and offers to all existing savings banks the means of placing themselves upon the same footing, by complying with certain conditions. What those conditions are, seems the all-important question. So far as the bill itself affords any indication, it appears that the Government claim, not exactly the appointment of the officers who are to superintend and assist in carrying on the bank business, but that which, in many respects, is more objectionable. They leave to the trustees and local managers the right to appoint, but subject always to the approval of the Commissioners for the Reduction of the National Debt, or to the Comptroller-General acting under them, who are also to decide what qualifications shall be required for such offices, to define, specify and direct the execution of their respective duties, the mode of their appointment, and, further, may determine their continuance in office by suspending or removing them at pleasure; regulate the amount of salary and the time and mode of payment, and of all other expenses incidental to the management. This is, in effect, taking the control entirely out of the hands of the local authorities and placing it in those of the Government. The Chancellor of the Exchequer says that if the Government are to be responsible for the deposits in these banks, this condition is indispensable; and it must be confessed that there is much of reason in the argument. It would be a dangerous thing, undoubtedly, for the Government to undertake the responsibility of moneys not paid into their own hands—to guarantee the capital, and to pay a fixed rate of interest thereon, without reference to the value of money in the market, or the price at which they might be enabled to invest those moneys in the public funds; unless at the same time they possessed effectual means of regulation, superintendence and control over the institutions where those deposits were made, and the officers into whose hands they were paid. But how to give them this governing power, and, at the same time, maintain the local



character of the banks, is the difficulty; and, judging from the temper in which the House of Commons received Sir Cornwall Lewis's explanatory statement on the introduction of the bill, it is one that will not easily be got over. It is scarcely to be expected that English gentlemen of station and character, who now lend their names and give their time and attention to the conducting of savings banks, will continue to do so, subject to a veto which may be brought to bear against every appointment made and every act done by them in the capacity of trustees or managers. Neither is it to be anticipated that the Government will consent to forego a power which they consider absolutely requisite for the protection of the public purse. The prospects, therefore, of a present settlement of this long agitated question are not over bright; and this appears to be the opinion of the Chancellor of the Exchequer himself, who, when he stated that if the restrictive powers which the Government demanded were refused by Parliament, he should feel compelled to withdraw the bill altogether, scarcely indulged in a hope of being enabled to win over the strong opposition which he saw he would have to encounter. As far as the new bill differs from its immediate predecessor, it is an improvement. The limitation of the deposits to £100 in each case, was generally felt to be a needless restriction, and the Chancellor of the Exchequer has in the present measure wisely abandoned it, leaving the £200 limit to stand. That is also a beneficial change, which requires the transfer of the investments of the depositors into stock, and the sale of such stock to be made at the current price of the day, instead of at the average price of the preceding quarter. The Government will be thus secured against loss that might arise from any sudden fall in prices, and give to the depositor the benefit of any rise. At all events, it would throw the risk upon the depositor, for whose benefit and at whose desire the investment in the public funds are made. But the most important change in this bill as compared with the former one, is the introduction of the clause that prohibits the use of the title which the banks established under this act are to bear, viz., "Government Security Savings Banks," by any institutions except such as shall have been sanctioned by the commissioners under the authority of the laws relating to savings banks, and makes the contravention of this proviso a misdemeanor. This will, it is to be hoped, put a stop to the operations of certain establishments which have recently started up in London and elsewhere, under the auspices, for the most part, of men without character or capital, and which, under the title of savings banks and loan societies, compete with the savings banks for the deposits



of the working classes, for the purpose of lending out the money at usurious interest, the depositors who are led astray by the title these offices assume, bearing practically all the risk, while the speculators gain all the profit. There is one clause of the bill, however, which at first sight seems especially objectionable, viz., that which leaves with every already established bank the option whether it will come within the provisions of the new law or not, and consequently whether or not it shall be entitled to the advantages and prestige of the Government security. Were the majority of the customers of the savings banks people of education and business habits, like the customers of the ordinary commercial banks, the fact that at one establishment their money was deposited under the guarantee of the Government, while at the private house they had no security beyond the character of the managers and the honesty of the officers, except for so much of their money as was actually paid over to the Government commissioners, would be sufficient to turn the whole tide of business to the one, and speedily to close the doors of the other. But the class for whose benefit savings banks are intended are, generally speaking, persons with whom the title "savings bank" will be all that is inquired about, and who will be much more likely to place their money in the institution which has been established for some time, and the managers of which they know something, than in any new bank, though coming forward with the advantage of Government security, which they, most of them, still believe the old banks possess. The proper course would be to place all on the same footing at once, and to compel the old banks, as well as the new, to conform to the new law, whatever that new law may be. One main defect of the Chancellor of the Exchequer's proposition is, that it leaves the several acts now existing in reference to savings banks standing, and adds to the complexity which seven distinct acts of Parliament, all existing and in operation together, necessarily creates in the law relating to the one single subject of savings banks, by superadding an eighth. It would be far more business-like, and infinitely more convenient for all parties—depositors, managers, and commissioners—if, instead of attempting to pass the present bill, leaving those who may have to carry the act into operation to pick out in what respect the new enactment contravenes and repeals the old law, and in what respect it proceeds consonantly with, to take the bill and the seven existing acts, and out of them frame one simple code of laws for the regulation and management of all savings banks, and for investing them with the reality as well as the name of



Government institutions. But the Government security is, after all, the main point, and, for the sake of that, it might be wise, if no other mode of overcoming the difficulty can be suggested, to place the management of these institutions altogether in Government hands.

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#### BANKING IN BELGIUM.

UNTIL the year 1822, Belgium could scarcely be said to have had any banking system, purely as such; not even a national bank or monetary paper currency. In that year, seeing the deplorable state of national industry in a country so favoured by nature with all the elements and raw materials of prosperity; in a country too, which for two centuries almost had been the leading workshop of Europe; that thoughtful and sagacious monarch, the late William III., then king of the Netherlands, founded the great banking and industrial establishment known, and famous both for its success and reverses, as the *Société Générale* of Brussels, with a capital of 50,000,000 florins, in shares of 500 florins each, or say, at 1s. 8d. the florin, about £41 13s. 4d. each. The king himself became the largest shareholder. The capital, however, was not all called up at the commencement, nor were the shares all issued; for it appears that in 1837 the bank had so extended its operations, yet at the same time had so grown in credit and opinion upon fruitful dividends annually shared, that it was enabled to issue and place 28,733 shares of 500 florins each, held in reserve at the price of 700 florins, representing of course so much addition of the premiums carried to capital account. The recital of some of the leading incidents in the history of this great bank will not be without its lessons at the present moment, in view more especially of the gigantic operations of the *Crédit Mobilier* banking, industrial and speculative establishment of Paris, modelled upon the same principles in a considerable degree, headed by two of the most accomplished financiers in Europe or the world. With all the genius of the Pereires, it will be seen that so far as the fundamental and more legitimate principles upon which the *Crédit Mobilier* is professedly founded, they are entitled to take rank only among the *imitatores servum pecus*; following and attempting to carry out on a larger scale, with additions of questionable policy, the great ideas of King William of Holland, who, however, did not condescend by the statutes of its foundation to degrade his bank to the level of daily stock exchange jobbery. It may be observed, that the *Société Générale* dealt



with a money capital (since reduced in amount) of about five millions sterling, premiums on reserved shares inclusive; whilst the *Crédit Mobilier* trades on a money capital of one half that sum, with a range of operations more serious, discursive and perilous.

By its statutes, the *Société Générale* of Brussels was constituted a bank of issue, but its primary object was the encouragement and development of national industry, by the supply of capital and credit accommodation on less onerous conditions to legitimate enterprise, and by promoting the growth of joint-stock associations for industrial undertakings. Although endowed with the royal guarantee of 5 per cent. interest on its shares, and the cession on most advantageous terms of large territorial with other properties to the value of 20,000,000 florins, which held out the perspective of brilliant profits on their re-sale and realisation, the bank in its commencement was not regarded with much favour. Of the 32,000 shares first proposed for issue, subscribers were only found for 6,500; but the king, resolute in the accomplishment of his favourite project, took at once the remaining 25,500 shares for his own account, and so the institution was launched. So novel, or so little understood was the principle of association at that date, in a "country abounding in capitals," as observed by M. Briavoinne in his excellent work, *De l'Industrie en Belgique*. The association under such auspices pursued an uninterrupted prosperous career until the year 1830, when the Belgian revolution broke out, which concluded in the separation of Belgium from Holland, and the expulsion of the monarch who had so successfully laboured for the advancement of her material interests. For a moment the great bank of his creation seemed destined to share in his ruin; for it became a question with the new governing powers, whether the existence of so mighty a money corporation could be safely tolerated; the controlling influence over which, necessarily vested in the one man, the late and still hostile sovereign, who was at once its founder and most largely interested shareholder. The board of directors, however, adroitly managed to avert the impending storm, and conciliate threatening enmities. Party-feelings and prejudices they wisely repudiated; and in evidence of good faith, placed the nomination of a new governor, having a supreme voice in the direction of affairs, at the disposal of the authorities then installed at the helm of state. They did more still. The public and the municipal treasuries were empty, and operatives without work were thronging the streets of Brussels and Ghent, by thousands, to the imminent danger of the public peace. The directors came to the rescue of both government and people. To the former they were liberal of



loans; of the latter, work was given to numbers in the construction of roads through certain of the society's landed properties; whilst to the destitute poor of the city alms were distributed with no niggard hand. Measures were taken, moreover, to nullify or neutralise any interference or control which might be attempted thenceforward or suspected on the part of King William, as the largest shareholder, in the management of the bank; and eventually, it is understood, negotiations were entered into and arrangements made for the transfer of his interests into other and neutral hands on equitable considerations. The *Société Générale* was nevertheless not free from other embarrassments. The revolution of 1830, following close on the great July revolution of France in the same year, had unhinged confidence and caused a ruinous depreciation of all values. Great as was its capital, it was greatly compromised in mining enterprises, that is, in heavy loans to mine proprietors, and in the promotion of joint-stock companies for working mines, in which it embarked largely as shareholder. To press its debtors, or realise its shares in such concerns, was an impossibility, without ruin to them and damage equal to itself, at a time when French 3 per cents. had descended from about 80 to 47, and when all the capitalists of France and Belgium, from the Rothschilds downwards, were in panic for the issue. By prudence and forbearance it escaped from these difficulties, but at the cost and then apparent risk of relieving debtors from their obligations by amicable transactions ending with the transfer of vast mining properties in Hainault and elsewhere into the possession of the bank, which thus became *entrepreneur* on its own account, instead of mortgagee. Fortunately the revival of confidence and credit afterwards enabled it to surmount these difficulties, and even with the realisation of considerable profits.

These patent facts renewed again the old jealousies. Its profits were denounced as a crime, and it was accused of "contemplating the ruin of the country because it was accumulating riches, and King William was then still its greatest stockholder," so relates, impartially, M. Briavoinne, himself a Belgian and a man of probity. So, in opposition, the project of the *Banque de Belgique* was started in 1835 by a Frenchman, as stated, whose name was more conspicuous than creditable in the scheming years of 1824-5-6, and 7, in London. Its capital of twenty millions of francs was eagerly subscribed, above all in Paris. The two banking and speculative corporations, both endowed with the same privileges and pursuing the same line of action, then began to run a race of rivalry with each other, the result of which it did not want second sight to foresee. Like the *Crédit Mobilier* of the present day, they organised subsidiary



joint-stock companies, of all sorts and for all purposes, in which they took the initiative of becoming large or the largest shareholders themselves. One result was not long to wait for. At the close of 1838 the *Banque de Belgique* was brought to a suspension of payments. The bank *Société Générale* was accused by M. de Bronckere, president of the former institution, of unbecoming conduct on the occasion. "On the 4th of December (1838) it presented for payment in specie one million of francs (£40,000) in its (the *Banque de Belgique*) notes to bearer; on the 10th for 1,200,000 francs more (£48,000); and on the 15th for 800,000 francs." Upon which the bank suspended. The reader will smile, that a sum in total of £100,000 should cause the suspension of a bank with a capital, all paid up three years before, of £800,000; but in fact, as its embarrassments had become a matter of notoriety, all the depositors and customers with current accounts had previously been withdrawing their funds and balances, so that the *Société Générale* stood justified in its course, on the principle of self-preservation. At the time of this catastrophe the *Bank de Belgique* had originated, or co-operated in, as a large shareholder, no less than twenty-one joint-stock and *en commandite* companies, with capitals ranging from the very modest sum of 150,000 francs (£6,000) up to twelve millions, or say £480,000; in totality for 54,150,000 francs, or £2,166,000 in round sterling numbers. The *Société Générale* during the same period, in conjunction with the *Société de Commerce* and the *Société Nationale*, both of its own creation, had of its own origination or under its patronage, thirty other joint-stock and *en commandite* companies, in which a large shareholder with an aggregate of capitals for 102,640,000 francs, or in sterling £4,105,600, in capitals for each respectively ranging from 750,000 francs (£30,000) to twelve millions or £480,000; and all this irrespective of its weighty compromises and engagements in other enterprises from 1822 to 1835. These various undertakings of the two banks comprehended all sorts of speculative industry from coal and iron mines down to gas, glass, and carpet companies.

As we have said, the *Bank de Belgique* was brought to a stand still and a liquidation at the close of 1838, and after a three years' existence only. In 1841, however, it was resuscitated and rehabilitated by an increase of its capital by ten millions of francs (£400,000), from the creation of new shares preferentially entitled to five per cent. interest before the old shares could claim any dividend at all. Its affairs, since that period, appear to have been conducted with more reserve and discretion. Its privilege of paper issue does not appear to have been available, or in favour with the public, to any extent of consideration;



not to have exceeded, in fact, three, four, or five millions of francs, or from £120,000 to £200,000.

The *Société Générale* meanwhile followed on its course in apparent prosperity until touched by the French and other European revolutions of 1848. Then once more it had to succumb to the storm, when all values fell to a discount. Previously it had so prospered as to have been enabled to buy up 29,000 of its own shares (of the total issue completed only to 60,000) at the market rates and premiums of the day. The remainder 40,000 original shares would probably have been extinguished on the arrangement referred to with William, King of Holland. In that fatal year of 1848 the dividends fell from 102 francs 91 centimes (nearly £4 2s. 6d.) per share of 500 florins to 52 francs 91 centimes (nearly £2 2s. 6d.) per share. At a general meeting of shareholders on the 18th of November, 1850, it was agreed to annul the 29,000 shares so purchased, and to shape its course of action in accordance with circumstances. But the speculative spirit had eaten too far into the vitals of the corporation to allow of a speedy and entire recovery. It would seem still to be labouring under the heavy incumbrances of days of exaltation and seemingly glowing prosperity, for we find the dividends out of profits given recently only at 127 francs (£5. 1s. 8d.) per new double share, which before for the single share were £4 2s. 6d. Its note circulation privilege was never of much benefit or consequence, having rarely ascended to eight or ten millions of francs, or £300,000 or £400,000. It may here be noticed that the two banks were equally licensed originally for note issues and commercial enterprise, for deposits public and private, and of savings banks, for loans on mortgage and on merchandise, for discounts, for emitting bonds bearing interest, and generally for the promotion of all great state and industrial operations. According to M. Seneuil, both the *Société Générale* and the *Banque de Belgique* were obliged to implore the assistance of the government in 1848, on which occasion a law was passed to give their note issues a forced currency to a certain maximum of amount, as was at the same time the case with the Bank of France. It was, however, soon found necessary to enlarge the maximum of issue. The state of course became the guarantee for both banks; and in 1849 we find the finance minister complaining to the Chamber of Representatives that the state had been compelled to become bond for the two banking establishments to the extent of fifty-four millions of frs, or say £2,100,000. It scarcely needs to be added that, the era of revolution passed, the convertible character of the bank note was restored, but a paper money circulation does not appear to gain much upon popular acceptance in Belgium, where the popu-



lar repugnance would seem to be more deeply rooted than even in France. We have not had the opportunity of consulting later balance-sheets of each establishment than for the year 1852, when the note circulation of the *Société Générale* was given at something less than seven millions of francs, say £280,000, and of the *Banque de Belgique* at less than 500,000 francs, say £25,000. At the same time the former was a holder of shares in other companies to the extent of upwards of fifty-seven millions of francs, say £2,280,000; the latter for upwards of fifteen millions of francs, say above £600,000.

The other banks of Belgium are the banks of the *Société Nationale*, with a capital of fifteen millions of francs, say £600,000, which is the state bank, specially privileged for circulation, and as the treasury receiver. Its capital was mainly contributed and raised by the *Société Générale*.—The bank *Société de Commerce*, with a capital of ten millions of francs, say £400,000.—The *Banque Liegeoise* (Bank of Liege), capital four millions of francs, say £160,000.—*Caisse des Propriétaires*, or proprietary bank, capital two millions, say £80,000.—*Banque Commerciale d'Anvers* (Antwerp Bank), capital twenty-five millions of francs, say one million sterling.—*Banque de l'Industrie*, Antwerp, capital ten millions of francs, say £400,000.—*Société de Commerce*, Antwerp, capital twelve millions of francs, say £480,000.—*Société de Commerce de Bruges*, capital three millions of francs, say £120,000. There may be other banking establishments more recently formed in that present hot-bed of schemes and speculations at Paris, but they have not fallen under our notice. It is to be remarked, however, as a singular fact for Belgium, that the note circulation of the *Banque Nationale*, the accredited state banking agent as before said, had ascended, according to the balance-sheet for 1852, to nearly seventy millions of francs, say about £2,800,000.

As the *Crédit Mobilier* of Paris was evidently founded on the same speculative principles of action as the *Société Générale* of Brussels, with the difference that it was not invested like the latter with the functions of issue, or constituted a bank for the deposit for savings and charitable institutions, it may not be unseasonable to compare briefly the position of the two at distinct periods of financial crisis and exaggerated speculation, bearing in mind, with the proper reserve, however, that the *Crédit Mobilier* has not had to contend with the presence or eventualities of a political disorganisation continentally almost general, as was the case with the *Société Générale*.

So far as we can collect from a partial balance-sheet of the latter for the year 1847, just previous to the French revolution of February, 1848, the leading items of its situation stood as follows:—



It had out in loans on public securities, for about	£2,320,000
In shares and bonds of various companies	1,320,000
Public funds	500,000

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£2,190,000

The foregoing were of the nature of active and speculative though convertible assets in ordinary times. The capital of the *Société* paid up, and independent of the 29,000 shares held in reserve or annulled, then amounted to... £1,314,000

The reserve to ... 1,200,000

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Total ... £2,514,000

So that the whole capital, with £1,026,000 in addition, was absorbed in shares, bonds, loans, and the public funds, which on the advent of the revolution, 1848, became unsaleable; apparently irrecoverable and without a market. These, it will be observed, are only leading items of the active account, and not the general balance-sheet, which comprehends liability under the head of savings bank deposits, bonds, and circulation for three or four millions, partly only covered by various assets. Under the circumstances of that disastrous period of 1848, the *Société Générale* had of course to suspend and beg for government aid, which was liberally granted. Its note circulation was declared inconvertible, and its privilege of issue extended, with other remedial measures, under the guarantee of the state, by which it was enabled to weather the storm.

Turning to the *Crédit Mobilier*, we find it with a capital of ... £2,400,000

Whilst in Rentes it is a holder for 9,100,000 francs.

In shares	53,080,000	„
In bonds	29,880,000	„

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92,060,000 or say £3,680,000

To which add investments in different securities, in "Reports," or continuations, and advances on shares and bonds, as per report of the directors on the 25th of April last, for the year

1856 ... 75,780,000 frcs., or 3,031,000

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Total in securities ... 1,000

Or less than half a million short, only, of three times the amount of capital.

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## THE CRÉDIT MOBILIER COMPANY.

FROM the official translation of the last report of the Crédit Mobilier Company, says *The Times*, the general public will be able to scan the course of that establishment. For bombastic incongruity, the document is without parallel. It occupies the space of a moderate volume, and would require half-a-dozen volumes in reply, since each paragraph involves an outrage on some admitted principles of economical science, which would have to be explained and illustrated from their very rudiments before the faintest impression could be expected on the minds of concoctors. The first proposition of M. Pereire and his colleagues is, that the general intelligence of the public does not constitute the best guide in the pursuit of their own interests, and, consequently, that the Crédit Mobilier was required to act as a sentinel, and to initiate and support by upholding prices such selected enterprises as the board might approve. His next is, that the inflation of the years preceding 1856, and the subsequent distress and pressure, alike demonstrate the services rendered by the company. In the one case in the midst of war they founded, developed, and reorganized grand undertakings, and in the other they relieved by their advances, on such terms as the sufferers could, perhaps, best describe, the miseries of the speculators who had thus been enticed beyond their depth. In each transaction the company made large profits, and as a result of its experience it now enunciates that, "In industrial affairs, as in war, to know how to resist or to march forward at a proper moment is one of the first conditions of success;" an axiom to be received with due weight by that unhappy public who for twelve months have been tempted by the facilities of the Crédit Mobilier to borrow money on weak securities at enormous rates, in the delusive hope of a reaction. In the midst of all the advantages conferred upon the country by the Crédit Mobilier having undertaken to centralise and conduct its industrial pursuits, M. Pereire, however admits there have been some perturbations; but this is through defects of the law, which prevent the Crédit Mobilier from having everything in its own hands. While the "exalted wisdom" of the Emperor forbade last year the commencement of new enterprises that might add to the inflation already stimulated by the Crédit Mobilier, and at the same time compete with the securities of that establishment, the public, driven from one mode of speculation, turned to another, and availed themselves of the power of forming Sociétés en Commandite, which are exempt from Government control. Thus the influence of the self-constituted "sentinel" over the finances of France was in some degree neutralised. Other parties wished also to aid credit and to become sentinels. In vain the Crédit Mobilier urged the necessity of new laws to suppress all undertakings not its own. "Speculation had only been displaced, and found in another quarter a large outlet by which it precipitated itself." The monopoly of the Crédit Mobilier was therefore interfered with, and the directors were reluctantly compelled to limit their operations to the granting of assistance to the great companies "which form their connexion," waiting for more favourable opportunities for deluging



the market with more securities. What was to become of the great companies which did not happen to form their connection, does not appear to have been a question for consideration. As, however, the *Crédit Mobilier* has made a dividend of 23 per cent. out of the results of its money-lending, probably the holders of outside securities have not fared much worse than the speculators, who, instead of at once meeting their losses, have prolonged them through being "assisted" on these terms. While thus alike making gains, whether from the hopes or reverses of the public, the company still saw that its duties of sentinel also required that it should regulate the prices of the public funds. "The purchases made by us during the year 1855 to keep up the prices of the public funds" are alluded to by the directors with pride, and they add that, "faithful to the same idea of conservatism," they have steadily continued the system, "remaining in the breach" at each monthly settlement to defend quotations from a fall by enabling the speculators to hold on—a self-devotion which it is instructive to find has been rewarded by enormous profits, however fatal it may have proved to those for whose benefit the heroic attitude was assumed. In one single month they advanced upon Rentes nearly £4,000,000. The directors seem to consider that one of the first among financial duties is to keep up the prices of the public funds, and they claim merit accordingly. In other countries a fall in the funds would be regarded at once as the sign and remedy of over-speculation, and would be welcomed as a salutary means of inducing investments, and thus attracting capital from the quarters where it was being recklessly employed. In Paris they have a sentinel to teach them otherwise. Proportionate aid has been accorded to the share-market, and during the first nine months of 1856 the advances at each fortnightly settlement averaged £600,000. It appears also that, notwithstanding the precautionary spirit of the company throughout the past year, they have subscribed and issued on behalf of enterprises forming their own connections, bonds to the amount of £4,600,000. It was in the face of such proceedings that the directors had to struggle with a crisis, to the precipitation of which they had of course, in their own view, not in the slightest degree contributed. In fact, this crisis is evidently regarded by them as a cruel grievance, which has most unjustly limited their gains. It broke out, they say, at the moment when they "were using such efforts to facilitate a transition towards better times," and they attribute it to the Bank of England and the Bank of France not having sufficiently supported public confidence. The course of the *Crédit Mobilier*, if it had occupied the places of these institutions, would have been very different; but M. Periere does not specify the plans he would have adopted, whether consisting of unlimited issues of paper, ultimately to assume the form of assignats, or otherwise. He and his colleagues, however, offered at the moment to buy up all the Rentes held by the Bank of France, and to subscribe by anticipation £12,000,000 for the railway wants of 1857, and it was not the fault of the company that neither of these magnificent remedies were put in operation. With regard to the



coming year, the confidence of the company is undiminished. It expects a part of the concession for the Compagnie Maritime, and an extension of the southern railways, while it likewise contemplates a joint action with the Spanish Crédit Mobilier in the construction of a line from Madrid to the French frontier. An increase of the capital of the Bank of France, so that by some mysterious means it may "extend the circulation and keep it on a par with the legitimate and serious wants which social activity and increased production incessantly claim," and an augmented issue of bonds of the Crédit Mobilier of short date and small amounts, are among the means now looked to for establishing perpetual prosperity. That under this prosperity the cause of the Crédit Mobilier will be as distinguished as was that of the Bank of the United States in its most flourishing days, there can be little doubt. Whether like causes will produce like effects is a question for those who may presume to prognosticate its end. The Bank of the United States was cruelly destroyed by a failure in the European harvests at the very moment when it was using the most gigantic efforts "to facilitate a transition towards better times." As the Crédit Mobilier is the sentinel for all France, its vigilance will perhaps be of a higher order. Nevertheless, its course on the first occurrence of one of those periods of political or commercial convulsion in which everybody will expect it to make advances upon everything, and no one will buy its securities in return, cannot fail to be watched with curiosity and awe; meanwhile it may pursue its career undisturbed by the "interested and jealous criticisms" to which M. Pereire reproachfully alludes, even with liabilities of more than £4,000,000 on deposits and bonds, and its assets of £7,000,000 embarked in railway shares, obligations, and "different securities."

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### COUNTRY BANKERS' CIRCULATION.\*

*To the Editor of the "Bankers' Magazine."*

SIR,—I send you copies of a memorial lately addressed to the Chancellor of the Exchequer by the bankers who issue their own notes in the counties of Cumberland, Westmoreland, and Lancashire, and of a circular addressed by them to the different banks throughout the country.

They do not offer any opinion as to the soundness of the principle upon which the act of 1844, so far as it relates to country issues, was founded, but merely pray for a relaxation of certain of the provisions of that act, which in operation, are not only very vexatious and injurious to the banks themselves, but are attended with great inconvenience to their customers.

The evils and annoyances, thence arising, are well detailed by Mr. Gordon in his letter to John Steele, Esq., M.P., for Cockermouth, a copy of which I now send you.

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\* This communication will be read with interest by all country bankers, and every endeavour should be made to obtain the proposed alteration.



These evils and annoyances are farther illustrated by what lately occurred in the bank with which I am connected. During the first eighteen days of the monthly average period ending on the 9th inst., our circulation had fluctuated only from £900 *under* the fixed limit to £800 *above* it so that we had little fear of being able, during the last week, to bring the monthly average within the "limit." However, during the first three days of that week the notes did not come in the usual way, and we then began to adopt violent means to get them in by telegraphing to all the banks in the district, and sending clerks round to collect them from shopkeepers, innkeepers, farmers, and dealers in the market; and although by this means we actually succeeded in forcibly reducing our circulation to £2,000 under our fixed limit on the last day of the monthly period, we still found ourselves 95*l.* short of the sum required; and consequently we incurred the penalty prescribed by the act. I have since learned that on the very same day another bank in the same town was placed in a similar position by a similar combination of circumstances.

All this, and most of the other evils complained of, would be greatly remedied, I think, by the alterations sought for by the accompanying memorial. In order to obtain these, however, it will be necessary that all parties who consider themselves aggrieved by the present state of matters, should act immediately, energetically, and in concert.

A few sentences from the editor's pen, calling the earnest attention of the banking interest throughout the country to the necessity of immediate and combined action in this matter would be of great importance, and I would therefore respectfully crave your aid accordingly.

I am, sir,

Your obedient servant,

A BANKER.

Cumberland, May 19, 1857.

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(Copy.)

*To the Right Honourable SIR GEORGE CORNEWALL LEWIS, BART.,  
Chancellor of Her Majesty's Exchequer.*

WE, the undersigned, bankers, issuing our own notes under the provisions of the Act of Parliament 7 and 8 Victoria, cap. XXXII, in the counties of Cumberland, Westmoreland and Lancaster, without venturing to offer any opinion as to the general principles of the act, respectfully beg to call your attention to certain provisions contained therein, which in practice work with great stringency than we believe it was intended they should by the original framers of the act.

We beg to call your attention to clauses XIII, XVII, XVIII and XIX, which provide that the averages of our circulation, taken for each succeeding period of four weeks, shall not exceed certain fixed limits.

We beg respectfully to represent that in consequence of the shortness of the time permitted us by these clauses for taking the averages, we are unable to avail ourselves of our circulations to the full extent granted us by law, by amounts varying from five to ten per cent. of our circulations, according to circumstances.

At certain seasons of the year there are temporary demands for increased circulation, arising from fairs and other causes. We cannot at these times extend our circulations, for fear of being unable to contract them so



as to reduce the average within the limit in the short time allowed for that purpose, and are therefore compelled to substitute gold and Bank of England notes, to the no small annoyance of our customers, gold being an inconvenient medium of exchange for large amounts, and Bank of England notes not being freely taken in remote country districts.

When this temporary demand ceases, a further effect of this unnatural restriction is felt by us. Our circulations contract, and we are unable to restore them to their natural limit until another period of activity commences.

We beg respectfully to represent, that if the time permitted us for taking the averages of our circulations were extended from one month to six months, and the year divided into two periods of six months each, we should then be able to avail ourselves of our circulations to very nearly the full extent permitted us by law, and to facilitate the transaction of business to our customers and the public generally. We believe that bankers throughout the country would look upon this change with great satisfaction; and as it would not in any way infringe upon the principle of the act of Parliament above referred to, we beg respectfully to suggest that this change should be embodied in the bill to be brought before the House of Commons during the present session.

We would further respectfully represent, that by the Scotch and Irish Banking Acts of 1845, (8 and 9 Victoria, cap. xxxvii and xxxviii,) which are complements to the English Act of 1844, the Scotch and Irish Banks are allowed to issue beyond their fixed limits, a sum equal to the amount of gold and silver held by them respectively, in accordance with the principle which regulates the issue department of the Bank of England.

We therefore respectfully suggest that we should be put upon the same footing as the Scotch and Irish Banks in this respect, and thus be enabled to meet with greater regularity and certainty the legitimate business wants of our respective districts than we are able to do at present, and to obviate the difficulties and inconveniences under which we at present labour. As this would be in entire accordance with the principles of the legislative measures of 1844 and 1845, we trust that Parliament will see no difficulty in granting the concession.

Wakefield, Crewdon and Co., Kendal.

John Parkin, Manager of the Bank of Westmoreland, Kendal.

The Lancaster Banking Company, per Wm. Jackson, Chairman, Lancaster.

The Cumberland Union Banking Company, per Thomas Westray, Chairman, Workington.

The Whitehaven Joint Stock Banking Company, per Richard Armistead, Chairman, Whitehaven.

Stanley Dodgson, Manager of the Bank of Whitehaven, Whitehaven.  
Benjamin Ward, Manager of the Carlisle and Cumberland Bank, Carlisle.

Alexander Davidson, Manager of the Carlisle City and District Bank, Carlisle.

Alcock, Birkbeck and Co., Burnley and Olitheroe.

We beg to annex a copy of a memorial forwarded by us to the Chancellor of the Exchequer, of which we request the favour of your perusal.

After having carefully considered the question, and fully discussed among ourselves its various bearings, we have come to the conclusion that the changes we advocate are those which would afford the greatest and most



general relief, and which, at the same time, would be most likely to be favourably viewed by the legislature.

There are, no doubt, points on which there would be found difference of opinion among bankers, arising from the manner in which their issues are influenced by local causes, but we are convinced that the alterations sought by us would greatly mitigate the difficulties under which we at present labour in respect of our issues, and that, in order to succeed in our object, it is necessary those interested should act in concert.

We are about to embody the views expressed in the memorial in a petition to the House of Commons.

We would strongly urge upon you that you should either individually, or in conjunction with other banks in your neighbourhood, aid us in our endeavours, either by memorial to the Chancellor of the Exchequer, or by petition to the House of Commons, or by both; and, in consequence of the short time that now remains for the committee at present sitting to complete their labours, we would beg respectfully to press upon you the necessity of immediate action in the matter.

Wakefield, Crewdson and Co., Kendal.

John Parkin, Manager of the Bank of Westmoreland, Kendal.

The Lancaster Banking Company, per Wm. Jackson, Chairman, Lancaster.

The Cumberland Union Banking Company, per Thomas Westray, Chairman, Workington.

The Whitehaven Joint Stock Banking Company, per Richard Armistead, Chairman, Whitehaven.

Stanley Dodgson, Manager of the Bank of Whitehaven, Whitehaven.

Benjamin Ward, Manager of the Carlisle and Cumberland Bank, Carlisle.

Alexander Davidson, Manager of the Carlisle City and District Bank, Carlisle.

Alcocks, Birkbeck and Co., Burnley and Clitheroe.

May 18th, 1857.

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(Circular.)

CUMBERLAND UNION BANK, WORKINGTON, 13th February, 1857.

SIR,—At the request of John Steel, Esq., one of our local members of Parliament, I lately addressed him the following letter on the subject of the Bank Act of 1844, as it affects country bankers.

I wrote it originally without any view to its publication, but as the subject is of considerable importance to issuing bankers, and as there will be much discussion upon it during the present session of Parliament, I take the liberty of handing you a copy of my letter, and beg respectfully to suggest that if the views therein expressed meet with your concurrence, you will be so good as bring them under the notice of your local members, requesting them to take such steps as they may consider necessary to induce the Government to adopt those views, in any Act of Parliament they may introduce this session for the regulation of Banks of Issue.

The present I think the most fitting time to stir in the matter.—I am, Sir, yours faithfully,

(Signed) Wm. B. GORDON, *Manager*.  
COUNTRY BANKERS AND THE BANK ACT OF 1844.—A Letter to JOHN STEEL, Esq., M.P., on the arbitrary character of that Act as it affects English Provincial Bankers.

CUMBERLAND UNION BANK, WORKINGTON, 3rd February, 1857.

DEAR SIR,—You have been good enough to ask me to state my objections to



the Act of Parliament commonly called the "Bank Act of 1844." In complying with your request, I shall not venture to trouble you with a lecture on the currency, for such I am afraid you would not read; nor will I enter upon the question of "How the issues of the Bank of England ought to be regulated?" I leave that to wiser and abler heads than mine to discuss. My purpose shall simply be to your draw attention to the manner in which *country bankers* are affected by that Act.

The Act fixed the note circulation of each bank at a certain determined amount, obtained by striking the average circulation for twelve weeks preceding the 27th of April, 1844. The Act requires us to make a return of the amount of our circulation every week, and every fourth week the average of four weeks is to be taken, and should such average exceed the fixed limit, such excess to be forfeited to the Government as penalty.

These regulations are very vexatious. In the year 1844, the note circulation of a district was fixed and determined, and no matter how the population or trade of the district may have increased, or how high the prices of commodities may have reached, the Act allows no corresponding expansion of the circulating medium; nor does the amount of gold coin, held in the safe in reserve, affect in the slightest degree this arbitrary restriction.

The Scotch and Irish banks have been differently treated. They have limits fixed to their circulation as we have; but in addition to such limits, they are allowed to issue, if they require it, to the extent of the amount of gold held. Thus it will be seen by the last published returns, that the *Scotch banks* authorised circulation is .. .. £3,087,209

Their actual circulation was .. .. 4,349,383

Being an excess of .. .. £1,262,174

The authorised circulation of the *Irish banks* is .. .. £6,354,494

Their actual circulation, per last return, was 7,307,303

Being an excess of .. .. £952,809

Now, see the effect of the arbitrary law which regulates the issues of English provincial bankers. They cannot issue against gold, nor can they even take advantage of the full limit allowed; for in the case of those with numerous branches, this is manifestly impossible, considering the penalty imposed by the Act, as so soon as a prudent banker finds he is approaching his limit, he stops before he arrives at it, as the following will prove:—

The authorised circulation of the English provincial bankers, after making allowance for such as have stopped, amalgamated, or otherwise ceased to exist, is .. .. £7,822,303

Their actual circulation, per last return, was 6,741,388

Being WITHIN their limit no less than .. .. £1,080,915

This, it is manifest, arises mainly from the fact that each banker dreads exceeding his limit, and so is compelled to keep within it. Should he, however, find that on the morning of the fourth Saturday, the day on which he is required to strike his average, by some accident or oversight, or by the neglect of some of his branch agents, his limit has been exceeded by, say, £100, what is the consequence of such a situation? viz., that during the few hours of business on the Saturday, he must by some means or other, quietly or forcibly, no matter which, withdraw no less than £2,400 of his notes from circulation, although he may have ten times that amount of gold in his safe. Can any good cause, I ask, be assigned for subjecting bankers to such vexatious annoyance? or can it be any longer a matter of surprise that the English banks of issue are always considerably within the limits allowed them? The following letter addressed to the editor of the *Times* newspaper, and which appeared in that journal in January, 1854, will illustrate more fully:—



## "THE BANK ACT OF 1844.

"To the Editor of the Times.

"SIR,—I am the manager of an English joint-stock bank of issue, with some half-dozen branches, and a local circulation limited by the above Act, to a sum approaching £40,000, which, if I exceed, the Act imposes as a penalty the whole amount of such excess. The circulation is ascertained by taking the average of four weeks. Last week was the fourth week, and because we were a trifle over our limit on the average of the three preceding weeks, I had to write fifteen letters, in different directions, requesting persons holding our notes to send them to us immediately; and during the whole of that week I ceased to issue our own notes, and substituted gold and Bank of England notes, to the great annoyance of my customers. On Saturday afternoon, however, I found my efforts to bring back our notes had not been successful, for I was still in excess of our limit, about £50 on the average of four weeks, and to bring it down it was absolutely necessary to get in no less than £1,200 of our notes. Disliking the idea of a penalty, I despatched a message to our chief agencies, for the agent to take £1,000 in sovereigns, or Bank of England notes, out of his strong box, and go among the shopkeepers and innkeepers, and exchange all our notes he could lay hands on. This had the desired effect; but seeing that I had upwards of £35,000 in Bank of England notes and coin in our safe, (the average of the last three months being £20,100), can you tell me, in the name of common sense, why I, and others similarly circumstanced, ought to be subjected to this trouble and annoyance; the Bank of England, the Irish banks, and also the Scotch banks can issue to any extent they require, provided they have gold and silver-coin on hand to the amount of over issue. Why, then, are we, the English country bankers, placed in so much worse a position in this respect? Though we have hitherto submitted in silence, yet, I trust, as the time draws near for a renewal of the Bank Act, such representations will be made in the proper quarter as will induce the Government to extend to us this small measure of justice.

"I enclose my name and address for your own satisfaction, but simply sign here,

A SUBSCRIBER.

"January 24th, 1854."

At the two half-yearly terms, of Whitsunday and Martinmas, large sums are required for payment of rents, interests, wages, &c., as also at the several cattle and horse fairs; but the Act allows no extension of circulation on such occasions.

I ask for a revision of the Act of 1844, as far as it relates to provincial banks, and that they should be placed, at least, on an equality with the banks in Scotland and Ireland, by being allowed to issue against gold, in addition to their fixed limit. This would enable them to keep pace with the requirements of the increasing trade of their respective districts, to accommodate their customers with a more convenient circulation than gold, which they are so often obliged to force upon them; and it would put an end to a perpetually recurring source of annoyance in the conduct of an important branch of their business.

The circulation of the Bank of England is regulated in this very way. The limit assigned is £14,000,000, and the bank may issue to any amount beyond that, for which there is gold in the issue department. So also, as I have already said, is it with the Scotch and Irish banks. How is it then that the English banks of issue are subjected to a law, in this respect, so very different and so very arbitrary?

Situated as many country bankers are, at a great distance from any branch of the Bank of England, they have frequently no option left but to pay gold when the amount of circulation is approaching its limit, and it requires no argument to prove that their customers, from distances in the country, are unnecessarily inconvenienced by having to take sovereigns instead of £5 notes.

This happens frequently: it cannot always be provided against, and gold, of which a prudent banker has always a sufficient stock, is paid away when the law will not allow him to issue his own notes, and time does not admit of a supply of Bank of England being obtained. Thus the customer of a bank is inconvenienced, the banker himself annoyed that such is the case, and all this for no good purpose whatever, but simply the requirement of an arbitrary law.



We are told that the spirit of the Act of 1844 is to base the circulation of the country upon gold, and yet the Act distinctly states that an *English* banker shall not issue beyond a certain fixed sum, no matter what amount of gold he may have in his safe—nay, more, its very nature is such that it prevents him issuing even up to that fixed sum. Take the average amount of issue of any one of the joint-stock banks in England for the past year, and it will be seen to be within the limit by several thousand pounds though it may frequently have found, in the course of the year, that limit insufficient for legitimate trading wants.

Set us free then, I say, from such petty and arbitrary limitations and restrictions, which seem as if they have been concocted centuries ago, and are totally out of place in the present advanced position of trade and commerce.

We directly contribute to the expenses of the State considerably more than is required of any other trade. We pay a heavy duty annually (£120), by way of license; we also pay stamp-duty upon our notes and all our drafts on London, as well as upon our numerous correspondents, and we are, of course, not exempt from the income-tax. But, indirectly, we do the State infinitely more service in fostering and developing the trade of our respective districts; and yet, in doing this, the State ties our right arm, and holds a heavy penalty in terror over our heads, in case we should foster and develop the trade in any other manner than is prescribed by Act of Parliament. I sincerely trust that such a state of things will not be allowed to continue, seeing that the tendency now-a-days is to relieve trade and commerce of everything that would fetter and annoy them.

A few words with reference to the Act 7 Geo. IV., cap. 46. Under that Act, bankers compound for the stamps on their notes and drafts on London once every six months, at the rate of 3s. 6d. per cent. on the average weekly circulation; at the time the Act was passed, the stamp for a short dated bill for £100 was 3s. 6d. However, during the Session of Parliament, 1855, an Act was passed reducing the scale of duties, so that the duty on a bill of £100 is now only 1s., yet bankers have still to pay the same composition of 3s. 6d. per cent. Should any Act be introduced this Session relating to country banks, I hope this will not be lost sight of.

I have thus given you my views upon such points as I am practically acquainted with, and which my experience warrants me in saying are real grievances, not to country bankers alone, but also to the general public, their customers. There are many other points in the Bank Act of '44, which I look upon as equally arbitrary and almost absurd; take, for instance, the fifth clause, which enacts that whenever a bank fails, or ceases to issue its own notes, the Bank of England may, by an order in Council, be authorised to supply the void thus created, to the extent of *two-thirds*. But where is the remaining third to be supplied from?

Thus it was ascertained, about fourteen months ago, that the issues of country bankers so falling in, amounted to £712,623, and an order in Council, dated the 7th December, 1855, authorised the Bank of England to issue an additional sum of £475,000. But there still remains £237,600, for which no provision is or can be made.

There are other clauses no less arbitrary; but I will not trouble you further at present in regard to them.

One remark more and I have done. No joint-stock bank, established prior to the passing of the Act of 1844, can sue or be sued in name of the bank: they must do so through a public officer. Nor can they take or hold securities in the name of the bank: they must do so through trustees. In other words, they have not the privileges of an incorporated body. A high authority in the House of Commons, viz., the Vice-president of the Board of Trade, Mr. Lowe, last year, pronounced incorporation to be a *right* and not a *privilege*. I trust, therefore, that *right* may be accorded to us, and that the round-about and clumsy method of public officers and trustees, attended with much needless trouble and inconvenience, may be no longer necessary.—I have the honour to be, dear sir, yours very faithfully,

(Signed)

Wm. B. GORDON.

John Steel, Esq., Reform Club, London.



## TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for the month of March were issued on the 27th of April, and show a continued increase in the declared value of our exportations. The augmentation is £1,007,778, or more than 10 per cent. as compared with the corresponding months of last year, and £3,145,043, or 43 per cent. as compared with March, 1855. The annexed table shows the exact increase or decrease under each head. Oil-seed and wool are almost the only articles on the unfavourable side, and the falling of in the shipment of these is simply to be attributed to their being retained to supply the wants of our own farmers and manufacturers.

## DECLARED VALUE OF EXPORTATIONS.

Months ending Mar. 31st, 1856, and Mar. 31st, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£125,987	£160,856	£34,869	—
Beer and ale ... ..	130,587	197,365	66,778	—
Books ... ..	28,266	44,121	15,855	—
Butter ... ..	40,864	46,763	5,899	—
Candles ... ..	17,049	32,744	15,695	—
Cheese ... ..	8,210	9,226	1,016	—
Coals and culm ... ..	195,219	237,159	41,940	—
Cordage... ..	89,865	37,206	—	2,659
Cottons ... ..	2,476,378	2,560,480	84,102	—
Cotton yarn ... ..	693,442	714,518	21,076	—
Earthenware ... ..	119,475	134,642	15,167	—
Fish ... ..	5,233	19,366	14,133	—
Furniture ... ..	11,078	23,011	11,933	—
Glass ... ..	55,539	64,031	8,492	—
Haberdashery ... ..	343,707	381,955	38,248	—
Hardware ... ..	298,747	333,249	34,502	—
Leather ... ..	115,871	185,404	69,533	—
Linens ... ..	415,079	441,419	26,340	—
Linen yarn ... ..	117,057	146,971	29,914	—
Machinery ... ..	158,313	238,828	80,515	—
Iron and steel ... ..	1,126,739	1,238,538	111,799	—
Copper and brass... ..	188,983	229,890	40,907	—
Lead ... ..	39,727	71,243	31,516	—
Tin ... ..	150,080	149,146	—	934
Oil, seed ... ..	133,773	78,577	—	55,196
Painters' colours... ..	35,332	51,849	16,517	—
Pickles and sauces ... ..	27,551	35,716	8,165	—
Plate and jewellery ... ..	31,358	51,036	20,678	—
Salt ... ..	26,127	23,808	—	2,319
Silks ... ..	217,556	266,792	49,236	—
Soap ... ..	14,400	22,708	8,308	—
Soda ... ..	44,654	69,954	25,300	—
Spirits ... ..	64,283	82,369	18,086	—
Stationery ... ..	56,361	73,467	17,106	—
Sugar, refined ... ..	86,802	87,217	—	49,585
Wool ... ..	94,445	68,678	—	25,767
Woolens ... ..	772,157	882,817	110,660	—
Woollen Yarn ... ..	251,095	193,088	—	58,007
Unenumerated articles ... ..	691,181	820,141	128,960	—
Total ... ..	9,448,570	10,456,348		



The total increase of our exports for the first quarter of the year has been nearly 15 per cent. As compared with the corresponding quarter of 1855 it has been about 52 per cent.

With regard to imported commodities a decrease is shown in the arrivals of wheat and flour, but other descriptions of grain have been largely taken. In animals and salted provisions there has been an increase. Cocoa, coffee, and sugar show a falling of as regards the home consumption, and also tea, in consequence of the limited deliveries pending the reduction of the duty, but the quantities imported and taken into stock presents an increase. Wines, spirits, tobacco, fruits, and spices exhibit an increase, both as regards importation and consumption.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Months ending Mar. 31st, 1856, and Mar. 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	224,403	159,739	224,403	159,739
Grain of other descriptions, qrs.	117,506	312,054	117,506	312,054
Indian corn, qrs. ... ..	112,341	80,382	112,341	80,382
Flour and meal, cwt. ... ..	220,812	142,133	220,812	142,133
Provisions—Bacon, &c. &c., cwt.	89,223	95,606	Free.	Free.
Butter and cheese, cwt. ... ..	50,964	65,385	51,185	61,859
Animals, No. ... ..	3,656	9,926	Free.	Free.
Eggs, No. ... ..	11,080,000	14,319,400	11,080,000	14,319,200
Cocoa, lb. ... ..	728,348	871,743	415,298	277,568
Coffee, lb. ... ..	1,502,974	1,841,814	2,741,653	1,002,793
Sugar, cwt. ... ..	516,862	526,433	586,612	401,716
Tea, lb. ... ..	6,080,533	9,168,072	8,961,672	1,892,959
Rice, cwt. ... ..	189,784	131,079	97,955	127,011
Spirits, gallons ... ..	942,401	1,371,863	380,429	411,900
Wines, gallons ... ..	477,413	1,002,549	552,003	682,319
Tobacco, lb. ... ..	1,594,186	1,847,169	2,634,147	2,736,977
Currants, figs and raisins, cwt. ...	15,490	39,750	31,093	21,636
Lemons and oranges, bushels ...	87,945	133,037	99,009	139,972
Spices, lb. ... ..	190,001	814,103	331,207	289,187
Ditto, cwt. ... ..	3,262	4,421	1,383	1,737

The following are the comparative imports and exports of raw material, showing an increase in each instance, except that of tallow, which was kept back for speculative purposes :—

Months ending Mar. 31st, 1856, and Mar. 31st, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	41,317	61,502	—	—
Hemp, cwt. ... ..	52,725	43,831	—	—
Raw silk, lb. ... ..	522,857	1,084,157	170,760	106,137
Cotton, cwt. ... ..	770,777	877,482	70,491	106,934
Wool, lb. ... ..	6,767,071	7,899,774	3,769,551	4,410,193
Tallow, cwt. ... ..	46,238	41,319	—	—



**Of silk manufactures the totals stand thus :—**

Months ending Mar. 31st, 1856, and Mar. 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Silk manufactures of Europe, lb.	104,738	89,836	103,599	86,243
Ditto of India, pieces ... ..	13,748	24,236	13,932	12,269

The miscellaneous imports have likewise been large, and tend to explain the heavy payments abroad, while they also lead to the inference that our stocks must in most cases have improved. Dyes and dyeing stuffs, leather manufactures, metals, and timber, have all arrived in full quantities.

**THE BANK OF FRANCE.**

THE *Moniteur* publishes the following monthly debtor and creditor account of the Bank of France, made up to the 14th of May:—

DEBTOR.		F.	C.	CREDITOR.		F.	C.
Capital of the Bank .....	91,250,000	0		Cash in hand .....	95,181,025	27	
Reserve of the Bank .....	12,980,750	14		Cash in the branch banks	183,151,545	0	
Reserve of the Bank in landed property .....	4,000,000	0		Commercial bills overdue	892,789	52	
Bank notes in circulation	526,252,500	0		Do. discounted, but not due	269,480,416	38	
Ditto of the branch banks	56,694,200	0		Ditto in the branch banks	263,354,121	0	
Bank notes to order .....	7,088,980	78		Advanced on deposit of bullion .....	1,394,800	0	
Receipts payable at sight	8,253,188	0		Do. by the branch banks	1,949,000	0	
Treasury account-current, creditor .....	81,537,611	8		Do. on French public secu- rities .....	24,992,536	10	
Sundry accounts-current...	124,386,504	98		Do. by the branch banks	5,275,100	0	
Do. with the branch banks	22,057,962	0		Do. on railway securities	12,788,200	0	
Dividends payable .....	522,321	25		Do. by the branch banks	6,082,850	0	
Discounts and sundry in- terests .....	1,682,316	16		Do. to the State in 1848	55,000,000	0	
Commission on deposits ...	15,840,450	97		Government stock reserved	12,980,750	14	
Re-discounted during the last six months .....	1,981,788	55		Ditto disposable .....	52,183,360	83	
Protested bills .....	24,891	60		Hotel & furniture of the Bk.	4,000,000	0	
Sundries .....	2,563,557	98		Landed property of the branch banks .....	5,311,260	0	
				Expenses of the Bank ...	1,577,323	88	
				Premium on the purchases of gold and silver .....	1,682,508	86	
				Sundries .....	343,441	96	
<hr/>				<hr/>			
F. 962,067,023 44				F. 962,067,023 44			

Certified by the Governor of the Bank of France, D'ARGOUT.

The Bank of France returns as above confirm the anticipation expressed in the Paris letters a few days back, that the stock of bullion would show no material alteration. Although the amount purchased at artificial prices during the period has been one-third less than in the previous month, it has been nearly sufficient to meet such drain as still continues, the total now held being £9,333,000. or within £70,000 of the total last published. As there is always a considerable internal demand for coin at this season, arising from the wants of the silk cultivators in the south, these figures are



comparatively satisfactory, especially as there has concurrently been a contraction of £460,000 in the note issues. The deposits of the public show an increase of £280,000, and those of the Government £509,000. There has consequently been a greater ability to grant discounts, and a further augmentation of £560,000 is exhibited under that head. The advances on stocks and shares continue limited, the former presenting an augmentation of only £30,000, and the latter a reduction of £32,000. The premium paid for purchases of bullion during the month has been £10,000, against £16,000 in the preceding return.

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### GOVERNMENT SAVINGS BANK BILL.

A PUBLIC meeting of trustees, managers, and actuaries of the various savings banks of the United Kingdom was held on the 6th of May, at the vestry-house of St. Clement Danes, for the purpose of taking into consideration the provisions of the bill about to be introduced by Government on the subject of savings banks.

The following were amongst the banks represented at the meeting, viz.:—Cripplegate, Bedford, Southwark, Norwich, Stamford, Leominster, Melksham, Woodbridge, Hoxton, Farringdon-street, Banbury, St. Asaph's, Hammersmith, Knaresborough, Poplar, Hinckley, Reading, Hereford, Brighton, Kingston-on-Thames, Northwich, Brentford, Lambeth, Croydon, Chislewick, Lewes, Ipswich, Plymouth, Dublin, Birmingham. The chair was occupied by the Rev. Mr. Owens, of St. Asaph's.

M. O. E. Lewis, trustee for St. Clement Dane's Savings Bank, said, that his colleagues and himself, in answer to the circular they had sent out convening the present meeting, had received between 130 and 140 letters from different parts of the country. Those letters, it was right to say, were not all in the shape of formal resolutions, but they expressed the opinions of such of the managers as had met to answer the letter. The result of the whole was shortly as follows:—There was—1. An almost unanimous approval of the proposal to give a Government guarantee to savings bank depositors. 2. An all but universal opinion that the reduction of the maximum of deposits would be highly inexpedient. 3. A very general and strong opinion that the large and indefinite powers conferred upon the Government in sections 2 and 3 were inexpedient and unnecessary, and that the regulations to be proposed ought to be inserted in the bill itself. 4. An equally general and strong opinion that the bill would be destructive of local management, and that such a result would be highly injurious to savings banks' interest. 5. An opinion that the verification of any pass-book as a condition precedent to granting the Government guarantee, would be impossible to carry into effect, and that the penalty proposed on the non-production yearly of the books would work injuriously. And, lastly, an opinion that the power of the Government to start new banks under regulation ought to be limited to places where there were already no banks in existence. (Hear, hear.) Those opinions, he might add, were indorsed by many of the most influential banks in the kingdom; and the trustees and managers at Manchester, Bradford, Norwich, and other large towns, expressed a very strong opinion that, if clauses 2 and 3 were carried in their present shape, they would be utterly destructive of local management. They were equally opposed to the reduction of the present maximum of accounts; but, on that point, a letter had been received from Mr. Tidd Pratt, stating that the Government would give way. (Cheers.) Mr. Gladstone's Savings Bank Bill



in 1853 gave the most minute and specific information with regard to the regulations which the Government wished to enforce; but the present bill went to exactly the opposite extreme. It left everything vague—everything, in short, to be enacted by the Comptroller-General; and that, too, without giving any power of appeal from his decision. (Hear, hear.) Of course, if the bill passed, it would be utterly impossible to carry on any bank without the Government guarantee, and how, then, were they to get it? They were to have it upon such conditions as the Commissioners for the Reduction of the National Debt, with the consent of the Commissioners of Her Majesty's Treasury, might prescribe in that respect. They were thus referred to clauses 2 and 3. The former was in these terms:—The said commissioners, with the consent of the Commissioners of Her Majesty's Treasury, may make, and from time to time, as they shall see occasion, alter all such regulations for the management of savings banks established under this act, and for superintending, inspecting, and regulating the same, and the keeping, examining, and allowing of accounts, in such manner as they shall think proper, and with respect to the making and withdrawal of deposits, and all other matters incidental to the carrying this act into execution; and all regulations so made shall be binding on the parties interested in the subject matter thereof to the same extent as if such regulations formed part of this act, and copies of all such regulations shall be laid before both houses of Parliament within fourteen days from the date thereof, if Parliament shall be then sitting, and if not, then within fourteen days from the next re-assembling of Parliament." Clause 3 ran thus:—"The trustees and managers of any savings banks established under this act, subject always to the approval of the said Commissioners for the Reduction of the National Debt, or of the Comptroller-General acting under them, may appoint such paid officers, with such qualifications as the said Commissioners or Comptroller-General may think necessary, for superintending or assisting in carrying the provisions of this act into execution, and may suspend or remove such paid officers; and the said Commissioners or Comptroller-General may define, specify, and direct the execution of the respective duties of such officers, and the places at which the same shall be performed, and direct the mode of appointment, and may also determine the continuance in office, suspension, or removal of such officers; and the said Commissioners or Comptroller-General, when they see occasion, may regulate the amount of salaries payable to such officers respectively, and the time and mode of payment thereof, and of all other expenses incidental to the management of the savings bank." Such were the two clauses in question. But these were hardly the days when we would have expected to find powers so vague and indefinite proposed to be given to the Government for the time being. (Oheers.) Surely it was not treating the public with proper respect to withdraw an elaborate bill like Mr. Gladstone's because it was objected to, and then to bring in another which gave the Government officials power to enact what they pleased. (Oheers.) What reason had they for such excessive trust in the Government? The Government by its manipulations made a clear deficit of £5,000,000 on the savings bank account, whereas the total amount of private defalcations did not exceed £250,000. (Hear, hear.) Nay, more, it had come out in relation to the bank in Ouffe-street, Dublin, that a Government official had actually advised the bank to go on, though insolvent to the extent of £50,000. (Hear, hear.) He (Mr. Lewis) believed that a system of Government superintendence and audit, with severe penalties on trustees who did not do their duty, would meet all the requirements



of the case. In those instances in which frauds had occurred, they had been rendered practicable by persons professing to be trustees, and not acting. Make trustees in every case a reality, and fraud would be all but impossible. (Cheers.) Above everything, let the Government deal with the question, and have done with it. These continual agitations were most disastrous. (Cheers.) During the last ten years, notwithstanding the increased population, and the greater wealth and prudence of the people, the amount of deposits had actually remained stationary; whereas it had doubled itself during the previous ten years, and during the ten years before that. (Hear, hear.) Such was the pernicious result of these perpetual agitations. (Cheers.) He begged to move the following resolution:—“That clauses 2 and 3 in the proposed Government Savings Bank Bill (viz., giving too indefinite and uncontrolled powers to the Government) are likely to be destructive of the system of local management of savings banks, which the Chancellor of the Exchequer states it is desirable to maintain and support.” (Cheers.)

Mr. Fowler, of Hereford, seconded the motion; which was supported by Mr. Williams, of Olapham; Mr. Rand, of Bradford; Mr. Collins, M.P., and Mr. Pope, of Tunbridge Wells. It was then unanimously carried, save that one hand was held up against it.

Mr. Lewis moved that the resolution be sent to the Chancellor of the Exchequer, and that he be requested to receive a deputation.—Agreed to.

Mr. Hawks, of Kennington, moved, and Mr. Clarke, of Chiswick, seconded a resolution asserting that a Government guarantee was desirable.

Mr. Williams doubted the propriety of the motion, which seemed to cast a slur upon the present management of savings banks.

Mr. Paget, M.P., thought the Government guarantee desirable; for the serious falling off in the progress of savings banks was no doubt attributable in some degree to a feeling of insecurity. At the same time the Government could not fairly give its guarantee without insisting on inspection; and inspection without control would be useless. He should like to see the precedent of the county police followed—namely, that the Government regulations should be tried by such banks as should be willing to receive them, and then, if the experiment was satisfactory, they might be extended to all. (Hear.)

Mr. Godley, of Lewes, deprecated any implied admission that the present system was faulty.

Mr. Cribb, of Covent-garden, reminded the meeting that £200,000 of defalcations must be contrasted, not with the present amount deposited in savings banks, but with the total amount deposited during the last forty years. If that were done, it would be found that the loss would not amount to the sixteenth part of a percentage. (Cheers.) He quite agreed with what Mr. Lewis had said about the injurious effects of agitation. The amount that was withdrawn within a month after the Chancellor of the Exchequer's speech would have startled them. People actually thought that they were to lose all they had in the bank above £100. (Laughter.) He believed the secret why these bills were being continually brought forward was, that the Government wanted a little more patronage. Once pass the bill, and the old banks would soon be superseded by those with the Government guarantee, and then the minister of the day would have some four or five hundred additional appointments to give away. (“Hear, hear,” and laughter.)

After some further discussion, it was eventually agreed to adopt the following resolution:—“That this meeting will cordially co-operate with the Government in obtaining for the depositors the Government guarantee,



provided it be given in such a manner as not to be destructive of local management."

The Rev. Mr. Vaulx, of Great Yarmouth, moved the following:—"That this meeting approves of the proposal to appoint Government inspectors with the fullest powers."—Agreed to.

Mr. Williams moved—"That the proposed reduction of the maximum of deposits would materially impair the usefulness and efficiency of savings banks; and this meeting has therefore ascertained with satisfaction that it is the intention of Government not to restrict deposits below the present limit of £200."—Agreed to.

Mr. Paget asked whether it was the opinion of the meeting that the effect of substituting Government control for local management would be to increase or diminish the number of depositors in savings banks?

The Chairman—To diminish it. In country places, where the managers were the resident gentry and clergy, the poor people had perfect confidence in them, but that would not be the case if they had to take their money to a Government official. They were already acquainted with Government officials—policemen, excisemen, and tax-gatherers—but they had no confidence in them. (Laughter and cheers.)

Mr. Paget entirely concurred in the view taken by the reverend chairman, and he supposed he might assume that it was the almost unanimous opinion of the meeting.

A Gentleman—The quite unanimous opinion. (Cheers.)

Mr. Lewis said a few words in favour of consolidating the laws relating to savings banks, and the meeting concluded with complimentary votes to that gentleman and the reverend chairman.

### THE ESTATE OF MR. W. PITCHER.

A MEETING of the creditors of Mr. William Pitcher, of Northfleet, shipowner, &c., who has lately suspended, was held on the 19th of May. Mr. White presiding, when the subjoined statement was presented by Mr. J. E. Coleman, the accountant:—

STATEMENT OF THE AFFAIRS OF WILLIAM PITCHER, OF NORTHFLEET, KENT, SHIPOWNER, &c., MAY 9, 1857:—

<i>Dr.</i>					
To creditors unsecured	...	...	...	...	£60,803 9 6
Creditors partially secured	...	...	£93,185	6 9	
Estimated value of security held	...	...	59,010	0 0	
					<hr/> 34,175 6 9
Creditors fully secured:—					
Estimated value of security held	...	...	10,950	0 0	
Amount of claims	...	...	6,000	0 0	
					<hr/>
See contra	...	...	£4,950	0 0	
Liabilities on bills received	...	...	1,824	7 1	
Expected to be duly honoured at maturity.					<hr/>
					<hr/> £94,978 16 3 <hr/>



<i>Cr.</i>				
By cash balances	...	...	...	£81 6 5
West of Ireland Fishing and Fish Manure Company's shares, estimated at	...	...	...	100 0 0
Loose tools, stores, &c., estimated at	...	...	...	20,200 0 0
Debtors, good	...	...	...	765 0 0
Estimated amount to be received on completion of vessel now building for the Russian Government, say	...	...	...	1,400 0 0
Surplus security with creditors contra	...	...	...	4,950 0 0
				<hr/>
				£27,496 7 2
Amounts under £10, and to be paid in full	£138	17	11	
Salaries, taxes, rates, and other charges	939	15	9	
				<hr/>
				1,078 13 8
Household furniture, &c., stands at cost	1,023	3	2	
				<hr/>
				£28,417 13 6
				<hr/>

It was explained that the assets will realise about 5*s.* in the pound if the stock be sold by auction, and another valuation (could arrangements be made to secure an incoming purchaser) shows about 10*s.* In 1852 the estate exhibited a surplus of £13,000, but losses have since occurred, and these, with the interest on borrowed capital, private expenditure, and the difference in cost and estimated value of premises, have caused the deficiency. One creditor complained of the manner in which his debt had been contracted shortly before the suspension. A suggestion was made to wind up by inspectorship, but several creditors thought that an offer of composition would be accepted. Mr. Coleman stated that if the creditors would agree to take 6*s.* 8*d.* in the pound, he would endeavour to make arrangements for the payment of that amount within two months. The majority supporting this proposition, a committee was appointed to carry it out, and a memorandum was drawn up, and signed by many of the parties present.

## CAPITAL OF THE BANK OF FRANCE.

THE following is the text of the bill for prolonging the privilege of the Bank of France and increasing the capital; but it has not yet been finally adopted.

"Art. 1. The privileges conferred on the bank by the laws of 24 Germinal, an. 11, 22nd of April, 1806, and 30th June, 1840, the duration of which expires on the 31st of December, 1867, are extended for 30 years, and will not end until the 31st of December, 1897.

"Art. 2. The capital of the bank, which is now represented by 91,250 shares, will be henceforth represented by 182,500 shares, of the nominal value of 1,000*f.* each, not including the reserve fund.

"Art. 3. The 91,250 new shares thus created shall be exclusively allocated to the holders of the 91,250 existing shares, who shall pay for them at the rate of 1,100*f.* per share, payable at the bank, by quarterly instalments, to be completed in one year from the promulgation of the present law. The period of the first payment, and the conditions on which the shareholders may be admitted to anticipate the ulterior payments, shall be fixed by a decision of the bank.



"Art. 4. The produce of these new shares shall be devoted, to the extent of 91,250,000f., to the formation of the capital determined by Art. 2, and the surplus to the increase of the existing reserve fund.

"Art. 5. Out of this produce, a sum of 100,000,000f. shall be paid into the public Treasury, in the course of the year 1859, at periods which shall be agreed on between the Minister of Finance and the Bank. This sum shall go to decreasing the *découverts* of the Treasury. The Minister of Finance shall transfer to the Bank, at the rate of 75f., and in Three per Cent. Rentes, from the Caisse of the sinking fund, the amount of Rente necessary for the employment of the said sum of 100,000,000f. A sinking fund of a hundredth part of the nominal capital of the said Rente shall be added to the dotation of the sinking fund.

"Art 6. The privilege granted to the Bank of making advances on French public stock, on French railway shares and bonds, and on bonds of the city of Paris, is extended to the bonds issued by the Crédit Foncier of Paris. The general arrangement regulating the mode of execution of the preceding paragraph shall be approved by Imperial decree.

"Art. 7. The Bank of France may, if circumstances require it, add a commission to the rate of its discounts and advances.

"Art. 8. A regulation of the public administration shall determine, with regard to shareholders who cannot make their instalments or who are in arrear with them, the necessary measures for the execution of the present law."

The following is the draught of the agreement between the public Treasury and the Bank of France;—

"Art. 1. The interest in the Rente which shall be delivered to the Bank in execution of the law for increasing its capital shall commence running from the first day of the half-year following the delivery of the said Rente, allowing, however, to the Bank a bonus at the rate of 4 per cent. for the time comprised between that period and that of the payments.

"Art. 2. In return for the advantages which will result to the Bank from its receiving on account-current the disposable funds of the Treasury, the Bank engages for the duration of its privileges to make to the Treasury, according as its wants may require, advances which may amount to 80,000,000 f., including the 55,000,000 f. remaining to be reimbursed of the loan extended by the agreement of the 3rd of March, 1852. The *maximum* of these advances shall be reduced to 60,000,000 f., by means of the annual reimbursements stipulated for in the said agreement. Treasury bonds, renewable every three months, shall be delivered to the Bank as a guarantee for its advances.

"Art. 3. The sums which may be carried to the debit of the Treasury in virtue of this convention will be used as a set-off to those forming the credit of its account current, either in Paris or in the branch banks, so that the interest due by the Treasury shall not be calculated each day, except on the amount for which it shall be actually a debtor.

"Art. 4. The interest on the account-current thus established shall be settled at the rate fixed by the bank for the discount of commercial paper, but cannot exceed 4 per cent.

"Art. 5. If the Treasury shall withdraw its funds in account current, the Bank shall be released from the engagements which it contracts by the present convention."



## PROHIBITED CIRCULATION OF FOREIGN BANK NOTES IN PRUSSIA.

THE bill for this purpose was introduced on the 20th of April by Government. It prohibits indiscriminately the circulation of all foreign bank notes from the 1st October next. The emanation of such a prohibitive law in Prussia will, no doubt, be the signal for its imitation in other countries. In Saxony the Government is already framing a similar law, while the jealousy with which the Leipsic bank watches over her monopoly, offers an additional spur for the introduction of such a restrictive measure. Bavaria is already in possession of such a law, and the other States will probably be forced to the adoption of a similar step, lest the notes excluded from Prussia should deluge and find an asylum in their own money-markets. The injuries thereby inflicted on joint-stock companies and trade and commerce generally, are incalculable, and will, in all probability, be attended by a serious monetary crisis. The position of the excluded banks is, however, not so hopeless as represented by some of the papers. Their notes being now confined to their local domiciles, where trade is very limited, will undoubtedly greatly affect the extent of their circulation, and diminish, in a great measure, the deposit and other transactions of the banks; but the banks will, on the other hand, be free to discount bills with their notes, which the holders can easily convert, at a certain discount, into coin at the money-changers (bullionists), who abound in all the larger towns of Germany. At the time when the bills fall due, the drawers will naturally try to repay the banks with their own notes standing below par, a circumstance that might impart abroad a demand for such notes as a lucrative jobbing speculation, while the banks themselves will, of course, seek an indemnification for the depreciation of their notes in an advanced rate of interest, which, by the present general demand for capital, will but little affect the credit transactions of the merchants, and more especially of the manufacturers at Sondershausen, Jena, Weimar, &c., who each and all carry on their trade almost exclusively with borrowed capital.

## THE BANK CHARTER ACT.

As was anticipated, the Chancellor of the Exchequer has moved, and the House of Commons have agreed to the appointment of a Select Committee to inquire into the operation of the Bank Act of 1844 and of the Bank Acts for Ireland and Scotland of 1845. The motion was similar to one which the House passed last session. The Committee was then appointed, but only one witness had been examined before the dissolution occurred. The new committee will forthwith commence its sittings. It is composed of 25 members, comprising the Chancellor of the Exchequer and four ex-Chancellors—namely, Mr. Disraeli, Sir Francis Baring, Sir C. Wood, and Mr. Gladstone; also, Sir J. Graham, Mr. Spooner, banker, of Birmingham; Mr. G. A. Hamilton, the Financial Secretary to the Treasury under Lord Derby's Government, and chairman of the recently-dissolved London and Paris Bank; Mr. Glyn, London banker; Mr. Wilson, the Financial Secretary to the



Treasury; Mr. Cayley, a director of the Commercial Bank; Mr. Vance, a Dublin merchant; Mr. Weguelin, the late Governor of the Bank of England; Mr. Hildyard, Q.C.; Mr. Hankey, a director and formerly governor of the Bank of England; Mr. Blackburn, chairman of the Edinburgh and Glasgow Railway; Mr. M. T. Smith, London banker; Mr. Fergus, a Scotch manufacturer; Mr. Hope Johnstone; Mr. J. L. Ricardo, a director of the London and Westminster Bank; Mr. Ennis, the governor of the Bank of Ireland; Mr. Tite, the chairman of the Bank of Egypt, and a director of the London and Westminster Bank; Mr. Puller, Mr. Ball, and the Earl of Gifford, formerly private secretary to Lord Panmure.

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### MERCANTILE SUSPENSIONS.

THE following is the list of mercantile suspensions for the past month:—

April.—General Wood Cutting Company, timber trade.

Mr. William Pitcher, Northfleet, shipbuilder.

May.—Messrs. Barker and Co., London, timber trade.

„ Thomas Biggs and Son, London, drug and wine merchants.

„ Edward J. Hambro and Co., London and Newcastle, general merchant.

„ McAlpin and Nephew, London, warehousemen.

Mr. G. Doherty, Liverpool, provision and corn trade.

Mr. O. Thurneysen, Paris, banker and stock dealer.

Messrs. Whitney, Fenno, and Co., Boston (U.S.), Importers.

„ Chapman, Lord, and Hale, Boston (U.S.), importers.

„ Shaw, Sampson, and Bramhall, Boston (U.S.), Importers.

With the exception of the stoppage of M. O. Thurneysen, banker and stock dealer, of Paris, these failures present few features of interest. In that case the liabilities are for a very large amount, reckless speculation, with heavy defalcations, having obliged Mr. Thurneysen to take refuge in America. An offer of 6s. 8d. in the pound has been made to the creditors of Mr. W. Pitcher, which it is thought will be accepted. The American suspensions are in the aggregate for a large amount, but they will not greatly affect this country. The creditors of Messrs. Biggs and Son will receive about 9s. in the pound, secured.

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## THE ROYAL BRITISH BANK.

WE have at the sacrifice of great space included the whole of the remaining examination of the directors of the Royal British Bank. This together with the lucid report furnished by Mr. Commissioner Holroyd, completes the case as developed under the administration of Bankruptcy, and it now remains for the law officers of the crown to take such steps for adopting criminal proceedings against the delinquents as may best seem advisable. A promise has been made that the question shall be brought before the proper tribunal, and we must therefore wait to see what will prove the result. It is stated that an attempt is to be made to reverse the bankruptcy proceedings, but this is hardly possible, seeing that a considerable proportion of the assets has been divided, and that arrangements for a final liquidation have been nearly completed.

*Court of Bankruptcy, April 22.—(Before Mr. Commissioner HOLROYD,)*

## ROYAL BRITISH BANK—EXAMINATION OF DIRECTORS, &amp;c.

The Court sat again for this purpose to-day.

Mr. Linklater appeared for the assignees; Mr. Huddleston for Mr. Stapleton; and Mr. Jeyes for Mr. Chandler and Mr. Page, the auditors, who were summoned for examination.

Mr. Coryton, barrister, who said he was a depositor, asked that the examination of the directors should be stopped, as further proceedings could only tend to increase costs. There was no pretence that any assets had been concealed. He also objected to the compromise with the shareholders being promoted at the expense of the estate. It might be that Mr. Linklater was actuated by the best motives; but it ought not to be carried out at the expense of the depositors. The compromise had been agreed to at a packed and unfair meeting, at which any one who opposed it was clamoured down. He hoped that Messrs. Linklater would not be permitted to increase their present enormous costs by prolonging these proceedings. As to the compromise, it appeared at the meeting he had referred to, that several independent shareholders were abroad.

The Commissioner said there was no question now before him as to the costs of the compromise.

Mr. Coryton hoped his Honour would not give his judicial sanction to such an inquiry.

His Honour said it would have to be sanctioned by an act of parliament.

Mr. Coryton was not at all afraid of such an act being passed. It would be the ruin of joint stock banking.

His Honour said he could not interfere, at present, to stop the examination of the directors, which was authorised by the act of parliament.

Mr. Linklater said this was only another melancholy instance of the fact that, however hard men might work for the benefit of others, without reward, there would always be parties found to express dissatisfaction.

Mr. Reed, who represented certain of the shareholders, stated that no part of the costs would come out of the estate.

Mr. Linklater said that he had devoted days and nights to carrying out this compromise, without fee or reward. The present inquiry was not one by solicitors or assignees, but was undertaken by direction of the court. He now proposed briefly to examine Mr. Dakin.



Mr. Dakin, being sworn, said—In February last I was solicited by Alderman Kennedy to become a director of the Royal British Bank. I paid £1,000 for my qualification shares, and took my seat at the board. Mr. Stapleton was then acting as deputy-governor. I went in on the 26th of February, and left on the 7th March. Mr. Stapleton never said a word to me about the debts due by Mr. H. Brown or Mr. Cameron, or about a large loss by Oliver of Liverpool. Something was said by him with regard to the Welsh works, which induced me to ask if the bank were manufacturers of iron. Mr. Stapleton said, "I thought Mr. Alderman Kennedy had told you."

Mr. Stapleton—Precisely so.

Mr. Dakin—The communication alarmed me, and I left the room with the intention of making inquiry. I afterwards determined not to continue a member of the direction. Mr. Stapleton did not tell me of the losses by M'Gregor, Cochran, Gwynne, or others. He said nothing to lead me to suppose that the bank had lost a considerable proportion of its capital.

By Mr. Huddleston—I only attended one board after the one at which I was introduced. It was on Alderman Kennedy's recommendation that I took the shares and joined the board. The only conversation I had with Mr. Stapleton was about the Welsh works. That must have been on the last day on which I attended. Two or three days after I wrote resigning my connection with the board, and refusing to take my shares. Something occurred to make a large demand on my time, and on that account I resigned. The conversation with Mr. Stapleton would have led me to sift the Welsh works if I had continued at the board. I pledge myself I never heard of Mr. Brown's debt. I first heard of it on the failure of the bank as one of the public, and I was then perfectly astonished. After my interview with Mr. Stapleton, I did not tell Mr. Wilkinson he had been very candid with me—at least, I don't recollect it. I have no recollection of the fact at all.

By Mr. Linklater—Mr. Stapleton said nothing to show that he had apprehension for the safety of the bank itself, or to doubt that it was doing a good and prosperous business. Mr. Alderman Kennedy told me that the bank was doing a good business. I did not refuse to take my shares from any apprehension as to its safety.

Mr. Stapleton recalled, and examined by Mr. Linklater—Before the 1st of February, 1856, I had become aware of Brown's, De Tape's and Blacker's debts, and that on the Welsh works, in the aggregate upwards of £200,000. Cannot say the precise period when I became aware of Oliver's debt. I anticipated a loss of some thousands by that debt when I discovered it. Oliver had failed before I joined the bank. From the minute of December, 1855, now shown me, I must then have been aware that the bank had a claim on him, but the amount is not specified. I cannot say whether I knew in January, 1856, what would be the amount of the loss. I will not swear I did not. To the best of my belief I did not know of Mr. M'Gregor's debt till I became deputy-governor in February, 1856, when I learnt it from the "green-book," which Mr. Esdaile put it into my hands. From an entry on the 2nd of January, in reference to M'Gregor's shares in the Irish Peat Company, it must then have come before me that he was a debtor to the bank, but not the amount. An acknowledgement of his debt of £7,300 odd, in 1854, never came before me. I did not join the bank till a year and a half after. Another entry of the 8th of January, 1856, refers to the Peat Company's shares; but I do not think that these entries led me to make any inquiry. I had become aware, before August, 1856, that Mr. M'Gregor was indebted to the bank upwards of £7,000, and that



the security was inadequate. There was a life policy for £1,000, and also his qualification shares in the Royal British Bank. I was then aware that the bank would lose some thousands of pounds by him. I don't know when I became aware that Mr. Mullins had died largely indebted to the bank. I don't remember any committee to investigate that debt. Some time or other the debt came to my knowledge, but it is impossible to state when. I don't recollect giving Mr. Paddison instructions, in November, 1855, for taking in a claim in Chancery. It might have been in December, 1855, or January, 1856, that I first knew of Mr. Mullins's debt; but what it was I don't know even now. I knew that there would be a loss of some thousands to the bank. Probably about the same time I knew that Mr. Cochran was indebted to the bank several thousand pounds. I had no personal intercourse with him, beyond being on the same finance committee. I dare say I knew of these debts before February, 1856. I was not on terms of intimacy with any of the directors or officers of the bank. Referring to the green ledger, I find that Cochran's debt on the 4th February, 1856, was £8,626. At the close of the bank, on the 30th August, he owed £10,329 according to the book. He had made large payments in the interval, but the debt kept increasing. Between the 5th of August and the end of that month, the debt was increased from £9,356 to £10,329. It appears from this that he was allowed to increase his debt £1,000 within a month of the failing of the bank. We had certain securities, but I don't know what they were. The debt was contracted before my time. I did not watch its progress by looking at the green ledger. My impression was, that Cochran was doing what he could to diminish his debt. In August, 1855, it was nearly £12,000; so there has been a diminution. I was aware that Cochran had had a cash credit, at one time, of £5,000. At the top of folio 207 of his account, "£5,000" is written; but it does not appear what that has reference to. It would not have occurred to me that that was the limit of the cash credit. I should rather have thought it was a balance, at first sight. The same figures appear at the head of folio 204, but I did not pay particular attention to Cochran's account. I knew that considerable loss was apprehended by it. I merely cast my eye over the leaves and saw the items. I don't recollect hearing that Cochran's sureties had failed, in February, 1855. I heard that there was a loss on some bonds of a party in Liverpool, which he had handed to the bank. Cochran's account was never before the committee on convertible securities. The bank also held his shares as security. Probably I first became aware of Gwynne's debt when I got access to this book. His account is at page 220; at the head is written, "Limit, £3,000." At the head of Cochran's account the word "limit" does not appear. I did not investigate the account so as to know what the "£5,000" meant. I certainly should not know, on first seeing them, what they meant. Not being accustomed to banking, I might have thought, at first sight, that it was a balance brought over. I had nothing to do with banking till I joined this bank. My father was a banker, but I never was inside the counter. The debit to Gwynne in the green ledger, at the end of 1855, is £7,477. I saw that balance-sheet when I became deputy governor, in February, 1856. I knew it was doubtful, but we had patents, as security, from which Gwynne expected to make considerable money, especially one for patent fuel; and he hoped to liquidate his debt in the course of a few years. The account had exceeded the cash credit of £3,000 before I joined the bank. These things will run up by payments on the securities, interest, &c.

Mr. Linklater—And if the party is a director, I suppose it will run up in other ways?



Mr. Stapleton—An item of £1,792 is charged in December, 1855, as interest on past due bills. As far as I can recollect I never knew that Gwynne was indebted, besides this balance, on a number of past due bills to the amount of £5,000. I now know that his debt is upwards of £11,000; at least I hear it.

Mr. Linklater—Have you not heard it before to-day?

Mr. Stapleton—Of course I heard Mr. Coleman's statement. In August, 1856, I knew Mr. Gwynne's debt was doubtful, but he had hopes of being able to pay part of it. I recollect Dent's bankruptcy. He was a debtor to the bank, as surety for Tarte. I must have known of the Islington cattle market debt before August, 1856. It was contracted long before I joined the bank. The debt was £9,000 or £10,000. It was looked upon as hopeless, but something was to be got from De Tape and Harrison. It was a transaction which I should never have engaged in, I regarded it as an unfortunate affair. Harrison is able to pay, but he is out of the jurisdiction, at Boulogne. At the board meeting, on the 30th January, 1856, the report and balance-sheet to be presented at the approaching half-yearly meeting were discussed. The provision for bad debts was made each half-year by Mr. Cameron. It was stated the other day to have been £393, in February, 1856. I did not consider that a sufficient provision for bad debts. It is extremely likely I said so, but I cannot state positively. I then knew of Brown's, Tarte's, the Welsh works, Blacker's, Oliver's, M'Gregors' and other debts; but I could not then say whether the moment had arrived for writing those off as bad debts.

Mr. Linklater—Did you or did you not believe, on the 1st of February, 1856, that a fair and honest provision for bad debts would have amounted to several thousands of pounds?

Mr. Stapleton—I cannot give you any other answer.

The Commissioner—You say you did not think the sum written off sufficient; how much do you think ought to be written off?

Mr. Stapleton—I don't think I formed any conclusion as to the amount. I knew that if the bank had then been thrown into bankruptcy there would have been a deficiency; but I supposed that by going on the liabilities might be reduced. I thought the provision made was not sufficient.

The Commissioner—Was it a fair and honest provision?

Mr. Stapleton—I do not think it was sufficient, but everything depends on the mode of writing off bad debts. It is entirely a question of time; a banker does not write off a debt immediately he supposes it to be bad.

The Commissioner—Taking the most sanguine view possible, could you have covered your bad debts with £300?

Mr. Stapleton—No; I don't think we could.

The Commissioner—Then was it fair and honest to tell the shareholders that you could?

Mr. Stapleton—We did not tell them we could. That is the reason the words were altered. We called it a provision, but not a sufficient provision. I won't say it was a fair and honest provision. I don't believe that it was a dishonest provision, or that we were deceiving the shareholders. Many of them knew that the bank was in a critical position, and had incurred large losses. I will not answer whether I believed that this was a fair and honest provision. On 1st February, 1856, I had no exact idea of the actual losses of the bank; I did not know that they had exceeded £25,000. Explain what you mean by actual losses.

Mr. Linklater—I will not. Answer as an honest man. (Applause.)

Mr. Huddleston objected to those observations, and to manifestations of applause by the audience.



Mr. Linklater—Did you believe, on 1st of February, 1856, that the loss of the bank had then exceeded £25,000?

Mr. Stapleton—If you mean that the money was actually lost, that the debts were wiped out, and that there were no means of recovering them, I did not know it. We certainly had no expectation of recovering those debts to the extent of £20,000. I have already said that the provision for bad debts was not sufficient, but I think it was fair and honest, because a banker is not bound to write off bad debts at once. The balance-sheet of August, 1856, does not represent the bank to be insolvent. No shareholder could possibly believe that all the securities would be realised. That is not the case in any bank. The assets are stated at £986,279. I say that representation is true, but no one could believe that the whole, if realised, would yield 20s. in the pound. I did not intend to represent that the bank had property worth £986,000 odd. All the shareholders must have known that there were securities of a doubtful character. They might have supposed there would be a loss of £20,000 from bad debts. They would not believe that debts were included which everybody regarded as hopelessly bad, but which some of the directors might have thought so. I had no intention whatever of making the shareholders believe what was not the fact. The report was not drawn up by me. I don't know whether Oliver's debt is included in that statement of assets. I have no doubt it is included. In February, 1856, I had no belief on the subject. I believed that it included Mr. H. Brown's debt of £70,000, on which I apprehended a loss, but other directors did not. I did not then know of M'Gregor's debt. I knew that the statement included the past-due bills. I was present at the half-yearly meeting in February, 1856, and heard the report read by Mr. Cameron. A dividend of 6 per cent. per annum, free of income tax, was declared. I was then apprehensive that some of the paid-up capital had been lost. I saw no objection to making a dividend on that account. I heard the announcement as to the issue of 3,000 new shares, which would make up the paid-up capital £300,000. That was not untrue. It does not represent that the capital existed, merely that it had been paid up. At the end of January, 1856, the past-due bills, according to the book, exceeded £64,000. There was a discussion at the general meeting in February, 1856, about the shares being issued at a premium. I dare say the chairman said that no bank had paid a dividend of 6 per cent. so early as the Royal British Bank. He alluded to the small capital with which we commenced, and said that we had done well. I did not think we had done well in one sense, looking at the "lock-ups;" but he referred to the amount of dividend. The 6 per cent. dividend might be an inducement to persons to take shares. No doubt it had a tendency that way; what effect it had I know nothing of. Mr. Owen passed a eulogium on Mr. Esdalle, the chairman. I have no doubt the shareholders gave us a vote of thanks, but I don't recollect it. I remember Mr. Alderman Kennedy addressing the meeting. The usual £2,000 a year was voted to the directors at that meeting, and they took it. There was a special vote of thanks to Mr. Cameron. I was appointed deputy-governor at the next board meeting. I then knew of Mr. Brown's debt. I gave no direction about the registering of his mortgages beyond speaking to Mr. Cameron about it. An individual director has no right to give orders. I did not speak to Mr. Brown himself about it. We afterwards discounted his bills, but he gave other security, a mill at Tewkesbury. This was either for discounts or a small advance, for the purpose of keeping him out of bankruptcy. I did not know of all the bills that were discounted for him. I was on the finance committee, but the committee varied every day. If I stated at the meeting of September 20th, that I



never knew of Brown's debt till I became deputy-governor, and immediately determined to drive him from his seat, that is a mistake as to the date, but not wilfully untrue. I was on the finance committee on February 7th, 1856, but I do not believe that I was an assenting party to the discounting of bills of H. Brown to the amount of £748. On February 14th, I authorised the discount of bills for him of £1,400; but I do not know the special circumstances. On the 19th June, he had discounts to the amount of £587. I won't swear that I was not a consenting party to that, but it is not signed by me. In August, 1856, one of his bills for £1,400 was discounted by me. I then had not a doubt of his solvency. It was the very day after I joined the bank. Very soon after I became deputy-governor, I determined to drive Mr. Cameron from his seat. I had no confidence in him. I did not instruct the solicitor to register Brown's mortgages. I spoke to Cameron about it. I believe I mentioned it to the whole of the directors in conversation. I do not know that it was ever formally brought before a court. I heard Mr. Paddison state that Brown himself had said that he would absent himself from the bank as long as I attended there. Tarte's bills, after January, 1856, were renewals. The case may have been the same with some of Brown's. Down to the very last, those bills appeared as assets of the bank. In March, 1856, knowing of Cameron's debt of £30,000, and other large debts, I cannot say I believed the bank had lost £50,000. If the assets had then been realised, under the most favourable circumstances, the loss might have been something near that. This gave me great uneasiness, which was not diminished by the end of June. I had then serious apprehensions as to the safety of the bank. I don't know what you mean by warnings. I may have read in the joint-stock journals that the bank had lost the whole of its capital. I read several of the articles. There was some talk of bringing an action against the journal. General observations were made which I believed to refer to the British Bank. It was said that the capital had reached the vanishing point, that the directors discounted one another's bills, and that the widows and orphans who were depositors would suffer from the speculation of this "banking lie." I was against taking proceedings, but these attacks were referred to at the half-yearly meeting in August. It is very possible that the opinion of Mr. Bovill was taken as to the propriety of taking proceedings, but I do not recollect it. I recollect that it was determined not to take proceedings, because it was felt that many things might come out which would be injurious. The journals had been most widely distributed among the shareholders, in August, and they could have asked for any explanation they chose. We were then endeavouring to negotiate a transfer of our business to another bank, and it was felt desirable not to do anything that might injure our prospects. I do not recollect Mr. Esdaile denying that there was any truth in the attacks of the journal, and that it was a foul conspiracy to upset the institution. He may have done so. Many of the statements were untrue. I recollect a Mr. Harris, of Ipswich, writing to make inquiry about those statements, and whether they referred to the Royal British Bank. Mr. Paddison was directed to reply to those letters that the scurrilous attacks emanated from a discarded employé of the bank, and were beneath the notice of men of business. I believe Mr. Harris afterwards got rid of his shares; therefore, the presumption is that he was not satisfied. The security we got from Cameron comprised a mortgage of an estate at Dingwall, in Scotland, which had been previously mortgaged for £3,000. Inquiries were made as to its value. Mr. Cameron maintained that it was worth £12,000. We put it down at £8,000 beyond the first mortgage. Policies of insurance were assigned on



the 29th July; three were free for about £1,000 each, effected in the Standard office, in 1850; the rest had been previously mortgaged for £7,500. Half premiums only had been paid on those in the Standard office, the office holding the policies as security. These policies were not of much value, except from the state of Mr. Cameron's health. A promissory note for £2,500, drawn by Cameron on Finlaison, his agent in the north, was also part of the security. There was also a debt of £3,000 from Sir H. Mackenzie's widow; but that is disputed. A surplus of £1,500 was expected from some stock in Scotland. Altogether, the securities were valued at £12,000, and Cameron's debt was £30,000. Mr. Esdaile made a statement at the meeting which I disapproved of. He placed a higher value on the securities than I did. I did not correct his statement at the meeting, but I told him that he had gone further than I thought he was justified in doing. He might have said that the bank was nearly covered in respect of his debt. I don't think he said there would be no loss, but not a serious loss. The shareholders were in possession of certain information which might have led them to make further inquiry, but they did not do so. I believed that Mr. Esdaile had misrepresented the value of Cameron's property, but I made no remonstrance. He was entitled to his opinion on the value of property, as well as I was. I know, from conversation with him, that he thought the bank would make a loss—perhaps a considerable loss. I had no confidence in Cameron. I thought him very clever, but not a man to be trusted. I once met him at dinner before I joined the bank, and afterwards at Sir James Matheson's; but I never associated with him. I took him in my brougham, about the end of the last season, from a private theatrical performance at Drury Lane Theatre, to the Reform Club, where there was a banquet to Sir William Williams, of Kars, but I do not call that associating with a man. In April, 1855, I addressed to him a letter, beginning "Dear Mr. Cameron," asking for information about the Royal Agricultural Company. On the 2nd of June, 1856, Cameron wrote to the board, stating that, whatever became of others, he should be the greatest loser, that the directors were the parties most blamable for the losses of the bank, and that he would not be made a scapegoat. I remember his using the expression about a "scapegoat" in conversation. He offered to attend the general meeting, but the directors did not accept his offer. He left on the 22nd July. I put the preparation of the balance-sheet of August into the hands of a new general manager, which was the most effectual step I could take for verifying the value of the assets. They are stated in the August report at £810,204.

Mr. Linklater—Did you believe that was a true report?

Mr. Stapleton—These assets included many things that would never be realised; and I took the proper step to get the matter set right, by getting rid of the old manager, and appointing a new one. The time when we got rid of Mr. Cameron was so near upon the half-yearly meeting that Mr. Craufurd did not time to look into the matter thoroughly. I found the accounts made up in this way, including all the doubtful items, when I came into the bank, and I could only alter the system by removing Mr. Cameron. I expected that, after the general meeting, the new general manager and the new directors would have been able to put matters on a proper footing; and I believe no man could have done more to that end than I did, when placed in such a position.

Mr. Linklater—That we shall see.

Examination continued—I was one of the past due bill committee, but did not write off any large amount as bad and irrecoverable. Probably £500 would cover the whole. I don't know that that £500 would be in-



cluded in the statement of assets. (After referring to the books) I should say that they were; but, at the time these accounts were laid before us, the matter was not gone into. It did not occur to my mind on the 1st of August, 1856, that these past due bills were included as good assets. I had no belief on the subject at the time. I could not take upon myself to set the accounts right. The shareholders did not look to me to do it. It was the duty of the accountant to make up the accounts, and he could call for any books necessary to enable him to do so. A bill for £500, on which £350 is due, is described in the past due bill book as "hopeless." There is a promissory note of three persons for £20,000, due as far back as 1851, on which an offer was made by Mr. Mackenzie to pay by instalments. I may have authorised the solicitor to take shares of the bank as security for a debt due, but never as a purchase. In the case of Muckleston's debt, two shares held by his father were taken by the bank, not by purchase, but by cession. Several of the bills entered here are described as hopeless—they are struck out in black ink—others, which were doubtful, were marked across, part in red and part in black. This was called "half mourning." I saw these books, but had not often occasion to refer to them. I knew that many of the bills were struck out as bad, and yet appeared as part of the assets of the bank. On the 1st August, 1856, I believed that the bank was solvent quoad the depositors, but not the shareholders. That was why I proposed a call of £25 per share, believing that much of the capital was locked up.

Mr. Linklater—Did you believe that, to that extent, the capital of the bank had been lost?

Mr. Stapleton—If we had wound up then, I believe it would have turned out to be lost. I cannot say whether it would have been so otherwise. The report of August, 1856, states that more than ordinary provision had been made for bad debts. That refers to £1,000, placed to the bad debt fund about the end of January, 1856. I don't know whether a sixpence was added to that fund afterwards. I should rather have supposed that a small addition was made, but I had no belief on the subject. I thought the provision was decidedly not sufficient. I don't think Mr. Esdaile stated at the meeting that sufficient provision had been made; I think he probably said, "more than the usual provision," which would be sufficient to put the shareholders on their guard. I should say that every person of intelligence there knew the position of the bank as well as we did ourselves, for they had seen the attacks in the joint-stock journals, and knew that we had not prosecuted. In July, 1856, we had some expectation of getting rid of the Welsh works, by leasing them. I don't think we ever seriously contemplated suspending the works. I remember Mr. Craufurd laying before us the papers from which he had prepared the last balance-sheet, and saying it was for us to approve it, or something to that effect. Accounts, such as the act of Parliament requires, were sent monthly to the "Gazette" down to the stoppage. I don't think any fresh instructions were given as to those accounts when the new manager was appointed. I recollect Mr. Craufurd, on one occasion, saying something about calling the shareholders together, and shutting the doors of the bank. That would be before I left London, on the 5th of August. I never referred to the monthly accounts in the "Gazette," beyond one or two after I joined the bank. They certainly did not represent insolvency. I only became an active member of the committee in October, and I never received any profit from the bank. I never signed any petition to the Board of Trade. The document which I signed was the certificate, which I still believe to be true.

It being now four o'clock, the examination of Mr. Chandler and Mr. Page, the auditors, was deferred until Wednesday next.



*Court of Bankruptcy, Basinghall-street, April 27.—(Before Mr. Commissioner HOLROYD.)*

## IN RE THE ROYAL BRITISH BANK.

THIS was a meeting for the examination of the auditors and manager of the bank.

Mr. Thomas Page, examined by Mr. Linklater, deposed to the manner in which the accounts had been audited. The substance of Mr. Page's evidence may be given in a concise form:—He was appointed auditor in 1853. Mr. Chandler was his colleague. At the first meeting Mr. Chandler was not present, and Mr. Craufurd gave explanations as to the way of proceeding, which he wrote down. Mr. Craufurd, the accountant, was the only person communicated with. About five hours sufficed for every half-yearly audit. Bills to the amount of £95,000 Craufurd represented as an asset. They had no means of knowing that these consisted mainly of "past-due-bills." He had not the slightest reason to suppose they were past-due bills. He several times inquired if the securities were good, and Craufurd's answers were very clear and satisfactory. The only doubt he expressed was about two small debts of £32 and £18, and these he hoped the bank would recover. (A laugh.) On several occasions these two very small debts were referred to, but nothing was said about any other debts being bad or doubtful. Craufurd led him to believe that the securities for the £95,000 were good. Since the failure he had often wondered that none of the directors or shareholders, knowing the nature of their audit, had asked about securities. None of the directors ever led him to doubt that they were good debts, and Mr. Craufurd had never intimated the slightest doubt of the security, and he (Mr. Page) always believed that the item represented loans made by the bank on shorts periods on securities. Mr. Page proceeded to give the same description of answer in respect to other debts and assets of the bank. The last half-year's accounts contained an item of £1,000 owing by a Mrs. Goodridge as far back as 1854. He had no reason to suppose that these debts had been bad for years. In every case, without exception, Craufurd represented the assets as good. Mr. McGregor's debt was represented as a loan on mortgage. No. 1. represented loans on mortgages on houses and lands, and which now turned out to be nothing of the sort. Hawkes and Mullins's debt of £3,307 and others were included in an item of good loans. That debt of Mullins's was owing in 1853.

Mr. Linklater—You know that Mr. Mullins had been the solicitor to the bank, and was said to be conveniently dead. (A laugh.)

Mr. Page—Yes. Is he not dead?—He had nothing to show that his debt formed part of the loans represented as good. He had no notion that Humphrey Brown's overdrawn account of £37,592, Cameron's of £3,000, or Empson's of £8,000 were in one item as good assets. He had no notion that an item of £54,049 included £31,663 sunk in the Welsh works. Mr. Page concluded by stating that he was greatly surprised when the bank stopped payment; that he had never been indebted to the bank; that he had derived no benefit from it beyond receiving some £40 for his services as auditor, and that if at any time the least suspicion had been excited it would have induced inquiry.

Mr. T. Chandler examined—Was appointed auditor to the bank in January, 1850, and had continued thus to act to its close. Mr. Wilson was the auditor in place of Mr. Page up to 1853. Mr. Craufurd usually read



items to them, which they checked off, Craufurd read from papers in his hand, and he and Mr. Wilson did not see those papers. Was auditor during the time Mr. M'Gregor was director. He (Mr. Chandler) became indebted to the bank in 1853, but he gave security. At the time of the stoppage of the bank he was its debtor for about £800. He also borrowed £1,300 of Mr. Cameron early in 1854, and deposited shares of the bank as security. He borrowed the money of Mr. Cameron, because Cameron said the bank could not lend money on its own shares, but he could. Mr. Cameron lent him the money by check on the Royal British Bank. He had never inquired whether Mr. Cameron was or was not indebted to the bank. He was not aware until after the failure of the bank that Mr. Cameron had deposited his shares with the bank as security. Altogether he found, including bills of Mr. Newman, which had been discounted for him, he was a debtor to the bank upwards of £3,000, and, except the securities held by the bank, he had no means of payment. Newman was not a ruined man before he gave the bills. He might have told Mr. Newman that he would never be called upon for these bills. In the first instance, the bill upon Newman was an accommodation bill. Referring to a bill for £500, he had on that subject written a letter to Mr. Newman, containing an intimation that he (Mr. Chandler) would provide for the bill. After writing that letter he had urged the bank to make Mr. Newman pay the bill. That bill was one of the securities the bank held. Mr. Newman might have written to the bank that he was penniless, but he knew that he was not so. The bank had not, however, got anything on account of the bill. He got £25 a-year as auditor, and his salary always went in reduction of his debt at the bank. An item consisting of upwards of £89,000 had been represented to him (Mr. Chandler) as current bills. He now found that they were past-due bills. He did not refer to the heading to see whether Mr. Craufurd was deceiving him or not. The paper held in his hand was Mr. Craufurd's statement. Had similarly audited accounts at a future period, which now proved to be past-due bills. He had not the slightest notion at the time that they were past-due bills. As to loans No. 1, they were certainly represented as current loans. The statement in his hand, dated July, 1856, was in Mr. Craufurd's own handwriting. He had no reason to suppose these were past-due loans or other than good assets. From beginning to end Craufurd always represented the assets as good, with the exception of the one of about £18 (a laugh), and that he said would be got some day. Referring to an item of £24,000, he never thought it was for past-due bills. Referring to an item, "Loans for short periods, £48,000," and one of £65,000, he had no reason to suppose they meant other than current accounts. Never heard of Mr. Humphrey Brown having a drawing account at all. As regarded a suspense account of £36,000, he was never aware that £31,000 of it was on account of the Welsh works—money expended on those works. He never heard of the Welsh works, notwithstanding the bank from first to last had expended £120,000 on those works. Had never had any communication, except with Mr. Craufurd, on the subject of the audit. Neither Mr. Cameron or any director had ever spoken to him on the subject. He (Mr. Chandler) was a surgeon and brickmaker. (A laugh.) Mr. Mullins had told him that any schoolboy could audit the accounts, and that led to his becoming auditor. At first they picked out a few items, and finding they were correct he was less minute afterwards. Up to the time of the stoppage of the bank he believed it to be quite solvent. Never heard a word of Humphrey Brown's, Gwynne's, and other debts. Referring to an item, "adjusting interest account," of £28,000 odd, there was nothing in the books that would have led him to suppose that £13,000 of this arose



from interest on the Welsh works. If he had seen the entry he probably would not have made any inquiry. He did not see an item of £7,000 odd, as interest on past-due bills. If he had, that would have made him aware that the past-due bills must be of enormous amount. He believed Mr. De Tape's debt had been reduced £8,000, as the book purported, and not that the £8,000 had been carried to another account. Never had any conversation whatever with the directors of the bank. He (Mr. Chandler) was a director of the Wandle Water Works Company, of which Mr. Esdaile, Mr. Humphrey Brown, Mr. McGregor, and Mr. Baring were also directors.

Mr. Linklater—That was a company which borrowed some £17,000 of the Royal British Bank?

Mr. Chandler—It was.

Mr. Linklater—The Wandle Waterworks Company is defunct?

Mr. Chandler—It is about to wind up.

Mr. Linklater—What other company were you a director of in connexion with the directors of the Royal British Bank?

Mr. Chandler—The Chartered Australian Land, Mining, Importing, and Refining Company. (Laughter.) Mr. Esdaile was a director of this company. It is not wound up because there is a quantity of land in Australia which belongs to them. It is in abeyance. (A laugh.)

Mr. Linklater—Was there not another company—a brick and tile company?—Yes. Mr. Baring was a director of this.

Mr. Linklater—There was the Hot Muffin and Crumpet Quick Baking and Punctual Delivery Company, was there not? (Great laughter.)

Mr. Chandler—I don't remember that. (A laugh.) There was an Irish Peat Company, of which Mr. McGregor and Mr. Gwynne were directors. I never saw the green ledger during my audit, and I never suspected that the directors, Mr. Cameron, and other officers of the bank were its directors.

Mr. T. Craufurd, examined, said he was desirous of being examined. He had told them at a former examination that he was the accountant of the bank until he was appointed general manager on the 22nd of July, 1856. He was introduced to Mr. Alderman Kennedy a few days before the opening of the bank, and received the appointment. Mr. Hallardice was the first accountant, and Mr. Napier was for some time the accountant of the bank. After he (Mr. Craufurd) became accountant he prepared the accounts for the auditors. At a late meeting he had said that Mr. Cameron had told him that he had had some conversation with Mr. Page, and explained to him his duties. Referring to items of past-due bills, June 30, 1855, £89,000. This item was entitled "London bills, Nos. 4 and 5." The title was written by Mr. Cameron. He stated that these were London bills, and if the auditors said he (Mr. Craufurd) told them the bank held security, he should think he did so. The auditors could not suppose that they were past-due bills. He did not volunteer the statement that they were past-due bills, and he certainly did not suppose that they would imagine that they were past-due bills. He did not believe at the time that they were under any impression that they were past-due bills.

Mr. Linklater—Then did you not believe that the auditors were deceived by the representations contained in the statement?

Mr. Craufurd—It was calculated to deceive them; there can be no doubt about that.

Mr. Linklater—Did you not believe that they were deceived?

Mr. Craufurd—Oh, certainly.

Mr. Linklater—What was your salary at the bank?

Mr. Craufurd—At the time you speak of—June, 1855, my salary was



£300 a-year. I had been accustomed to banking business, and I had had considerable experience in accounts.

Mr. Linklater—Why did you allow yourself to make a representation to the auditors by which they were deceived to your knowledge?

Mr. Craufurd—It was a mode which had always been adopted. The course was formed for the auditors, and it was never altered by me. It was drawn up by Mr. Cameron in his own handwriting, and was handed down to me by my predecessor, and I continued the same.

Mr. Linklater—You told us when you were last examined that the title which these gentlemen, the auditors, had given to these "London bills with security" was their own doing, and not your dictation. They now tell us that they wrote down from your own lips, and from your dictation; is that so or not?

Mr. Craufurd—I think that Mr. Page occasionally put down that which he imagined to be the title of the account, as near as possible.

Mr. Linklater—Have you any doubt now that you represented to the auditors at that time—namely, in June, 1855, that the London bills—No. 5, were bills which had been discounted with the bank with security?

Mr. Craufurd—I do not doubt that I did say so since it has been stated; but I never said they were current bills.

Mr. Linklater—But the terms "Discounted with security" did not appear in any account which you held in your hands?

Mr. Craufurd—I do not know that it did.

Mr. Linklater—Did you dictate to the auditors the headings of those accounts from any document you had in your possession at the time?

Mr. Craufurd—I should think I did. No doubt I had the different sheets before me.

Mr. Linklater—But the account which you have just had in your hands, and from which you dictated to the auditors, was altered?—It was a copy rendered to me by Mr. Cameron.

But did you not yourself prepare that copy after you became accountant to the bank?—I only put the figures into the headings which he gave to me.

But were the headings given to you on all occasions not prepared by you?—Mr. Cameron gave me the headings in his own handwriting in pencil as the titles of the several accounts, and I filled in the sums from the ledger.

Then Mr. Cameron would have given you the title of "Ledger Bills No. 5?"—I have no doubt he did. I wish that could be found. I saw it within the last twelve months, and I have no doubt that could be found.

But, as you found the expression "London Bills No. 5" was calculated to deceive the auditors, why did you not tell the auditors so?—You are asking me now for my impression as to whether it was calculated to deceive the auditors. I cannot say that I may have imagined that at the time.

You have already upon your oath answered me that you did at the time believe the auditors were deceived?—Yes.

I say to you, therefore, believing that at the time you gave the explanation to the auditors they were misled by the items which you represented to them, why did you not tell them that they were under a false impression?—I could not have done so without referring to my superior.

Then I do not understand you to say that you consented to be made what you now were—the vehicle of a falsehood?—Not exactly that. Mr. Page said to me on one occasion, and I think it was upon that one,—“After all, the audit is a mere farce.” My words were, “I perfectly agree with you in its being a farce, but this is the mode in which I am instructed to place the



accounts before you ; if you are not satisfied you had better speak to Mr. Cameron."

But from beginning to end you said nothing to induce the auditors or either of them to believe that they were misled by the statements made before them?—I did not.

Mr. Linklater—Then I must repeat my question. Why did you consent to be made the vehicle of a falsehood?

Mr. Craufurd—It was master and clerk, and I obeyed my instructions.

Mr. Linklater—I have been speaking of June, 1855.

Mr. Craufurd—In June, 1855, I had a conversation with Alderman Kennedy, in Tokenhouse-yard, and I believe in the early part of May, 1855, I had come to the conclusion that up to the amount of upwards of £40,000, there were bad bills included in the past due bills account. At the audit of accounts up to the 30th of June, 1855, I intended the auditors to believe that the London bills, No. 5, to the amount of £95,934 2s. 11d. were good assets of the bank, and they did not know anything to the contrary.

Mr. Linklater—Was it not intended that they should believe they were good assets?

Mr. Craufurd—I say so.

Mr. Linklater—Have you any doubt about it?

Mr. Craufurd—No ; the impression on my mind undoubtedly was so.

Mr. Linklater—Then, believing that the impression upon their mind at the time was that the item of £95,934 2s. 11d. was a good asset of the bank ; seeing that up to that time you had yourself come to the conclusion that, to the extent of £40,000, at all events, it was worthless, I ask you again, why did you not undeceive them?

Mr. Craufurd—Because I told you I could not do so without instruction from my superior. He knew the mode in which it was done. It was his place to direct me, if he thought it ought to be done.

Mr. Linklater—Were you not, as accountant, a servant of the company?

Mr. Craufurd—I never took my instructions from any director.

Mr. Linklater—Were you not a clerk or servant of the company, and not of the general manager?

Mr. Craufurd—It was not so in the Royal British Bank.

Mr. Linklater—Did you suppose that Mr. Cameron was your master, and not the directors?

Mr. Craufurd—Most certainly.

Mr. Linklater—But you had been in a bank before, Mr. Craufurd, had you not?

Mr. Craufurd—I had.

Mr. Linklater—Was not your appointment by the directors?

Mr. Craufurd—Yes ; but I was introduced to Mr. Cameron, and told that I should look to him, by Alderman Kennedy, on the first day.

Mr. Linklater—Do you mean that the directors gave up all control to Mr. Cameron to do as he pleased?

Mr. Craufurd—The entire control. When I once spoke to the directors regarding the affairs of the bank, Mr. Cameron told me he would dismiss me if ever I did it again without speaking to him. That was in the year 1855. I find the past due bills of the 31st December, 1855, amount to £70,278 17s. 8d., and a very large proportion of it was paid, but the auditors believed it at the time to be a good asset, not knowing what it was.

Mr. Linklater—Now look to the accounts up to June, 1856, and say



whether you do not find the amount of past due bills at the chief office standing to the debit of that account to be £69,734 0s. 6d. ?

Mr. Craufurd—Yes.

And the total of the past due bills at that time, £76,393 9s. 9d. ?—Yes.

I suppose you had no doubt, at the time, that, to the extent of about £50,000, they were bad ?—£50,000 would, perhaps, more than cover the loss by past due bills.

Could that fact have been unknown to the directors ?—The directors had the past due bill book before them one or two days a week. They must have known the state of the past due bills.

The past due bill book was lying on the directors' table day after day ?—Certainly.

Every day ?—I should say every day in the week.

And so kept that it would be impossible that they could be without the knowledge of the fact ?—The balance is extended in it.

Were the directors aware how long the audit of these accounts occurred ?—They may have been informed by Mr. Cameron. They never asked me any question. I never was in the board room.

I think you say that you have no doubt whatever that the mode of stating these London bills, No. 5, was adopted for the purpose of deceiving the auditors ?—I think so now, but I did not think so at that time. It did not strike me.

You have told me you believe they were deceived at the time ?—They were deceived so far as this, that they did not know them to be past due bills ; but if you ask me whether Cameron did not in the first instance make out the accounts in that way with the obvious intention of deceiving, that, I say, did not strike me.

Suppose the auditors had asked you in June, 1855, when they found that amount standing to the debit of the London bills, to what entry should you have referred them ?—To past-due bills, of course.

Do I understand you to say they never asked you ?—They never asked me about past-due bills or losses, or investments of the bank.

Did they not ask you whether they should find the London bills, No. 5 ?—I do not think they did ; it was not a question that they would put.

Mr. Linklater—Do you remember anything said about their having the right to inspect the bills themselves ?

Mr. Craufurd—I have stated that Mr. Page seemed to consider on his first audit it was not a proper audit, unless he saw the bills and securities and looked at the accounts. I stated this to Mr. Cameron, who told me that he had misconceived his duties ; that he would have some conversation with him, which Mr. Cameron subsequently told me he had had. I find that in June, 1855, the balance to the debit of account loans past due is £16,329 13s. 11d., and that the loan account No. 1. consisted of advances on mortgages of houses in London, &c. I think the words payable at three months were never used by me in laying them before the auditors. I have no doubt that in the loans past due the £1,000 of Mrs. Goodrich was included. I did not know the history of that transaction at that time. I did not know that £1,000 had been borrowed by Mr. Mullins, the late solicitor to the bank, in the name of Mrs. Goodrich, for which he had debited her. I knew all this some time after Mr. Mullins's death, but I was not aware of it at the time.

Mr. Linklater—Then you knew that that £1,000 was, or you believed it to be, a swindle on the part of Mr. Mullins ?

Mr. Craufurd—Yes.



And a dead loss to the bank ever since 1854?—Certainly.

And, perhaps, you will tell me why it was represented as an asset in June, 1855, and until June, 1856?—The assets of the bank, as a banking asset, is everything that stands to the credit of the account. (Laughter.)

Whether good or bad?—Yes. (Increased Laughter.)

So that it represented four figures, 1,000, and, therefore, was put to the credit?—It stood to the account: it was worth what it was worth.

That was worth nothing?—So it appears now.

But it was represented to the shareholders as worth £1,000?—Clearly.

And to the public who were unfortunate enough to become depositors?—Yes.

But you represented it yourself as being worth £1,000?—In what way? In your account.—In the aggregate.

And you represented that £1,000 as an asset in the bulk?—Yes, in the bulk. Yes?—Well, it is possible.

You know it is true—I admit it if you say so.

Do you not know it to be true?—I do not recollect after that. It was a mere matter of form sending the statement to the *Gazette*; it was made out by a clerk. If you had asked me whether it was sent or not I could not have told you from recollection.

It was sent out to the world as signed by you?—That is a mere matter of form. Mr. Cameron signed them, though probably he never saw them.

So it is quite a matter of form for a general manager of the bank to sign an account which is to be published in the *Gazette*?—It is a matter of form.

Immaterial whether it is true or false?—That is a different question.

Then I must ask you, was not the £1,000 of Mrs. Goodrich included as an asset in the account which bore your signature, and which went for publication in the *Gazette* in August, 1856?

Mr. Craufurd—I have no doubt it was.

Mr. Linklater—Will you do me the favour to say how the public were to know that in the £990,000 of assets, Mrs. Goodrich's bad debt of £1,000 was included?

Mr. Craufurd—They could not know it.

Mr. Linklater—But it is so represented in the advertisement, is it not?

Mr. Craufurd—Yes. You are aware that for a fortnight before that time I advised the directors to shut the bank.

Mr. Linklater—But, having advised the directors on the 5th of August to shut the bank, why did you sign your name to a document of that kind?

Mr. Craufurd—There was no time to prepare a proper statement. That is my answer.

Mr. Linklater—The account represents solvency, does it not?

Mr. Craufurd—It does not represent insolvency; it is the state of the bank affairs as far as the figures are concerned.

Mr. Linklater—Then, if it does not represent insolvency, it represents solvency.

Mr. Craufurd—I should say so.

Mr. Linklater—I prefer my own form if you will indulge me. That being so, you know it was untrue?

Mr. Craufurd—I cannot fall into that statement.

Mr. Linklater—I ask you again to indulge me. Did you not know it was untrue?

Mr. Craufurd—It was not a truthful state of the bank affairs so far as regards its bad debts, undoubtedly.

Mr. Linklater—Did you not know it to be untrue?



Mr. Craufurd—I have said so decidedly.

Mr. Linklater—Did any director know that you were going to send that account for publication?

Mr. Craufurd—I cannot undertake to say that. I have no recollection of having any conversation on the subject with any director. I do know as a fact that in any sum of outstanding items of loans past, and which were represented to the auditors as Loan Account No. 1, there was a sum of £3,185 included, owing from Mr. M'Gregor as a bad debt. Mr. Cameron called me into the front room in Tokenhouse-yard, and gave me a small packet, upon which was written, "Securities—John M'Gregor," with a detailed statement of the value of the securities. I found they amounted to several thousands. The packet, I recollect, was locked up in the iron safe, and I considered they were securities for Mr. M'Gregor's debt. As far as my recollection serves me now the value of the securities was from £6,000 to £7,000, endorsed on the outside.

Mr. Linklater—If the bank had got them; but Mr. M'Gregor got them, not the bank.

Mr. Craufurd—I have since learnt that the securities were misapplied. Mr. Paddison told me so. I knew that Mr. M'Gregor had been tampering with some of the securities. The bank anticipated a loss by Mr. M'Gregor's debt. I knew to the extent of £2,000 or £3,000 had been lost already. Mr. Cameron told me that the bank had security for Tarte's bills. Under the head of "Current Account" there is an entry in the general ledger entitled "Drawing Accounts." The auditors have said that it was stated to them they were loans for short periods. Indeed, Mr. Chandler goes still further. He says they were called "Current Accounts, Debtor." Mr. Page has said in his own handwriting that it was called "Accounts, Loans for Short Periods," and then another account was called "Loans for Short Periods and Permitted Over-draughts." Referring to Empson's account, I find an item of £8,752 6s. 5d. up to the 30th of December, 1855, with reference to shares purchased in his name by the bank, which was opened by Cameron's instructions. I do not recollect when that first account was opened. Mr. Cameron was in the habit of purchasing the shares in the market and debiting the amount which was paid to the debit of Mr. Empson, who was the agent of their solicitor. The bank had their own broker. I cannot say that the directors were aware that the shares were purchased in this manner from time to time. Before the 30th of June, 1856, they were aware of the large purchase that had been made.

Mr. Linklater—So that the accounts which went to the shareholders and the public, it would appear that there was a debt of £8,732 represented as good assets, which in fact consisted of a sum that the bank had expended in the purchase of their own shares.

Mr. Craufurd—Which was good at the time.

Mr. Linklater—If the shares were worth anything.

Mr. Craufurd—So long as the bank paid.

Mr. Linklater—Were those purchases made from time to time for the purpose of keeping up the market?

Mr. Craufurd—I was not told what it was for. They were purchased by Cameron's orders.

Mr. Linklater—Sometimes when a troublesome shareholder wanted to dispose of his shares they found a market for him?

Mr. Craufurd—I have no doubt that was so.

Mr. Linklater—You know that is a fact?

Mr. Craufurd—I have learnt it since, but I do not know that I knew it at the time.



Mr. Linklater—I need scarcely ask you whether, under the title of “Current Accounts or Loan for Short Periods,” or for any other circumstance, there was anything in the world to lead the auditors to suppose that £8,752 was included in the assets?

Mr. Craufurd—They could not know it.

Mr. Linklater—They could not possibly know that credit had been taken for that which, in truth, consisted of shares in the bank?

Mr. Craufurd—Certainly not. This was involving matters of personal account, and Mr. Cameron said they were not entitled to look at it.

Examination continued—The purchase of the shares was made with the bank money. The account of Empson's was opened by the instructions of Mr. Cameron. I do not know how. This was previous to my time, but it had been going on since the year 1853. I do not think that shares were ever in the market during my time.

Mr. Linklater—Look to the account in your handwriting. Don't you find in April, 1853, to the debit of another account, called the “Suspense Account,” the sum of £2,300 for the purpose of purchasing the shares?

Mr. Craufurd—Yes. Those were the shares purchased by Cameron, but not in the market.

Mr. Linklater—But then they got put to a debit of the suspense account?

Mr. Craufurd—Yes; and by Cameron's order they were taken out of “suspense” and put into this account. He said that if they remained in suspense it was manifest that the bank was dealing with its own shares, and therefore they were to be taken out of suspense (laughter) and put into this account, which they were.

Mr. Linklater—Who could know it? What did he apprehend the auditors knew?

Mr. Craufurd—I do not know. They were his instructions to me.

Mr. Linklater—Do you suppose he was afraid of the auditors?

Mr. Craufurd—I think he was afraid of contravening the charter.

Mr. Linklater—He does not seem to have cared much about that.

Examination continued—I stated to the auditors that the suspense account generally was composed of amounts which at the time they were put into that account could not be charged to any particular account, and when it was known to what account they would be charged, they would be taken out of the suspense and charged to that account. I told them it was an account containing sums which could not be charged to any particular account. I proposed to Mr. Cameron to take the £31,661 10s. out of suspense account, and he said no; it was a heavy account, it had better remain where it was.

Mr. Linklater—Did he say why it had better remain?

Mr. Craufurd—I did not have a reason from him; it was sufficient for me to carry out my instructions.

Mr. Linklater—Why did you not tell the auditors it was an account that contained some items which could not be placed to any particular account, and also £31,000 in respect of the Welsh works?

Mr. Craufurd—I gave them the best explanation I could under the circumstances.

Mr. Linklater—No, pardon me, you might have told them that there was £31,000 out of £36,000 in respect of the Welsh works.

Mr. Craufurd—I have already told you that I could not give that explanation till I consulted my superior.

Mr. Linklater—You mean you deceived them by orders from your superiors—it comes to that?



Mr. Craufurd—I think not.

Mr. Linklater—There is no escape; did you or did you not deceive them?

Mr. Craufurd—Not wilfully.

Mr. Linklater—Pardon me, I will put the question—Did you or did you not wilfully deceive them?

Mr. Craufurd—No.

Mr. Linklater—Did you deceive them?

Mr. Craufurd—They did not know what the suspense account consisted of any more than what I told them.

Mr. Linklater—Did you deceive them?

Mr. Craufurd—I cannot say that I deceived them. I acted upon the instructions of my superior.

The Commissioner—Everybody else would think that you deceived them, and you said it was an account containing items which could not be charged to any particular account.

Mr. Craufurd—That is true as regards that item in the account.

The Commissioner—Then it contained items which might have been charged to a particular account?

Mr. Craufurd—I was desirous that the Welsh account should be taken out of the suspense account, and put upon a proper footing, and I always anticipated being able to do it.

Mr. Linklater—But why did not you mention to the auditors that you wanted to take one particular item out of the suspense account, but that Mr. Cameron would not let you?

Mr. Craufurd—That would have been going into the question of the security that Mr. Cameron said they were not entitled to receive. It would have opened the whole question of the Welsh works.

Mr. Linklater—It would have told them that the Welsh works existed, and would have closed your doors.

The Commissioner—You must not try to screen yourself from committing a fraud because you did it at the instance of Mr. Cameron.

Mr. Craufurd—I placed the accounts before them in the way that we had always been accustomed to do.

The Commissioner—You were appointed general manager, and Mr. Stapleton said he had great confidence in you, and a total want of confidence in Mr. Cameron, and then the moment you came in you seem to have proceeded upon the same course and followed in the steps of your predecessor, in that which was not only calculated to deceive, but which you yourself knew must deceive.

Mr. Craufurd—Pardon me; I would merely observe this, that up to the 29th of July, the day on which the accounts were audited, the report and balance-sheet had not even come from the printers, and for me to prepare a balance-sheet in the mode I should have done, would have taken me a fortnight or three weeks. It is impossible that I could have prepared a balance-sheet such as I should have done for these auditors and for the shareholders.

Mr. Linklater—Your appointment was on the 2nd, the audit on the 29th, and the meeting on the 1st August. Why did you not say to the auditors, "I am now general manager; I have no longer Mr. Cameron to control me; I must warn you, before you put your signature to these accounts, that you must look for yourselves?"

Mr. Craufurd—I had not the opportunity of preparing an altered balance-sheet.

Mr. Linklater—But there was no Mr. Cameron there; he had gone. You do not answer that.



Mr. Craufurd—I much regret that the opportunity was not afforded me of preparing a proper balance-sheet. I certainly should have done so if the opportunity had been afforded me; but there were only two days allowed.

Mr. Linklater—The Court has called your attention to Mr. Stapleton's statement, that you were appointed general manager in consequence of the confidence which the court of directors had in you, it having none in Mr. Cameron. Did not Mr. McLeod say to you that probably your appointment would be objected to because you were Mr. Cameron, it was thought, or rather you were Mr. Craufurd with Mr. Cameron's wig and gown?

Mr. Craufurd—For that reason I said I should not "consider myself your manager until the meeting confirms it."

Mr. Linklater—But did you not tell them something more? Did you not tell them you were not Mr. Cameron, and that they would not find you doing anything that was wrong?

Mr. Craufurd—Certainly; nor did I do anything wilfully that was wrong. How could I tell Mr. Page and Mr. Chandler regarding that audit unless I had a correct and proper balance-sheet to put before them? How could I say there were a great many items in that account which were utterly false—I set them to look over the audit—if they could not have completed it within the time? Mr. Page tells you it would have taken a fortnight or three weeks to do it.

The Commissioner—You cannot for a moment suppose that any one can fall in with what you are now saying as to the short time that you had to prepare the balance-sheet; if it was not enough to enable you to prepare it, of course it could not be enough, I suppose, to enable you to give your sanction to the one which had been prepared. If you had not time to examine it, and see that it was correct, why should you, as general manager, coming into that important office, adopt and lay it before the auditors as being that which was to be acted upon?

Mr. Craufurd—The balance-sheet was before the Court and confirmed on the 24th, it went to the printer's, and it would have been impossible for me to prepare a correct balance-sheet, I must regret that I had not the time to do so.

The Commissioner—I think the sooner you disabuse your mind of that the better. If you think you are justified in deceiving people in that way, as to those with whom you act in future life—if you think you are justified in deceiving people because your superiors have acted upon that footing, I think you had better disabuse your mind of that.

Mr. Craufurd—I was perfectly deceived as to the value of the securities. I believed the Welsh works would be the ruin of the bank. I did not volunteer any statement to the auditors. I thought Mr. Page knew it, but I did not tell him. I believed the Welsh works belonged to the bank. It was one of their investments—a very bad one. I considered that investment in the light of a customer.

Mr. Linklater—A stretch of imagination might enable you to do it, but I cannot.

Mr. Craufurd—I consider it as a loan upon other species of security. It might be very indifferent. It is in the same light that investments on security are with respect to customers generally.

Mr. Linklater—No doubt. If you had not represented it to the auditors as a customer, why did you not tell the auditors, "We are treating the Welsh mines as our own customer in respect of £100,000, and we add to that suspense account for the interest upon the Welsh mines?"

Mr. Craufurd—Because I have been informed that they had no right to look into the affairs at all. It was not part of their duties.



Mr. Linklater—You have heard what the auditors say about Mr. De Tape's debt being reduced £8,600 in December, 1854. There is the entry in the book, "By cash." The auditors told you that the debt had been reduced. Do you deny it?

Mr. Craufurd—No.

Mr. Linklater—Was it reduced a shilling?

Mr. Craufurd—It was taken from the suspense account, and put into the other. I can give you no other answer than that it was reduced.

Mr. Linklater—Was it reduced a shilling?

Mr. Craufurd—It was reduced by a sum being taken from it.

Mr. Linklater—Did it reduce the account one shilling?

Mr. Craufurd—I cannot answer the question in any other way than I have.

Mr. Linklater—You, an accountant, answering publicly, I ask you, did you reduce the account one shilling?

Mr. Craufurd—If you ask me, did the bank receive any ready money? I say, "No, certainly not." (Sensation.)

Mr. Linklater—I ask you whether De Tape's account at that time was reduced one shilling.

Mr. Craufurd—I will explain the account to you.

Mr. Linklater—Answer my question. Was it or was it not reduced a shilling?

Mr. Craufurd—I can only give you the explanation in my own way.

The Commissioner—You had better give the answer first, and then your explanation afterwards.

Mr. Craufurd—The bill was sent to Paris to De Tape; and when it came back, it was passed to his account, and back to another account.

Mr. Linklater—Will you pay that respect which is due to the Court, and follow its directions, by answering the question first, and giving your explanation afterwards, as it would save much trouble? The question I ask is this:—At the time that the entry was made, "£8,600 cash from Mr. De Tape's debt," I ask you whether the account was then reduced one shilling?

Mr. Craufurd—I can only explain it my own way. I have not the slightest wish not to answer your question.

Mr. Linklater—Did not the account remain of precisely the same amount notwithstanding the entry?

Mr. Craufurd—The debt still remained due undoubtedly. The debt, of course, was not reduced a shilling.

Mr. Linklater—Then you might have said so before.

Mr. Craufurd—I never denied it.

Mr. Linklater—But it was taken as an asset?

Mr. Craufurd—Yes.

Mr. Linklater—Up to the last account, which was audited up to the 30th of June, 1856?

Mr. Craufurd—Yes; and Mr. Stapleton has told you that they considered that one of the parties to the loan was a wealthy man, and able to pay.

Mr. Linklater—Mr. Stapleton has told me many things, of which I need not express an opinion.

Mr. Craufurd—Still I have no knowledge of it.

Mr. Linklater—You have an entry in your green ledger under the title of "Cash Credit Account?"

Mr. Craufurd—Yes.

Mr. Linklater—Do you find, up to the 30th June, 1856, there is in the accounts up to that time a sum of £122,060 taken credit for as an asset in respect of alleged advances upon cash credit account?



Mr. Craufurd—I have no doubt it is so.

Mr. Linklater—Do you find that in that item there is included a sum of £33,450 appearing by the account then due from Messrs. Dummmler and Smith?

Mr. Craufurd—There was a large amount.

Mr. Linklater—Was it a fact well known that, independently of the Welsh mines, and independently of Humphrey Brown's debt and Mr. Cameron's, and the other large debts to which I have referred, the losses of the bank exceeded £50,000?

Mr. Craufurd—Yes.

Mr. Linklater—And if all the others are taken into the calculation—the Welsh mines, Mr. Humphrey Brown's debt, Mr. Cameron's, and the rest—I suppose £200,000 was nearer the mark?

Mr. Craufurd—Very much nearer. I had no knowledge of the worthlessness of the securities.

Mr. Linklater—I think your attention had been called by Mr. Alderman Kennedy to the question of the loss that had been sustained early in April, 1856?

Mr. Craufurd—In April, 1856, he came to me and asked me what I considered to be the sum of the bank capital that was gone, and I said to him, —If you, the directors, consider that the bank interest in the mining property and the advances made to Brown are good. I think £50,000 will cover the other bad debts of the bank.

Mr. Linklater—Was that with reference to Mr. Cameron's debt and Mr. Cochrane's?

Mr. Craufurd—I knew nothing at all about Cochrane at that time.

Mr. Linklater—At that time you were speaking without reference to Mr. Cameron, Mr. Gwynne, Mr. Cochrane, and Mr. Mullins?

Mr. Craufurd—Mr. Mullins was included in the past-due bills.

Examination continued—I had no conversation with Alderman Kennedy in the month of April or with any director of the bank upon the subject of its position before Mr. Cameron left on the 22nd of July. They were before that negotiating with the London and Paris Bank. It was with reference to the negotiation that Mr. Alderman Kennedy spoke to me. The negotiation with the London and Paris Bank commenced early in the month of April, in Tokenhouse-yard. I was aware that the object of that negotiation was to amalgamate with the London and Paris Bank. I think in the month of June Mr. Cameron said to me the directors were rather bent upon the proposed arrangement with the London and Paris Bank, and that he thought it would be a great mistake. He said he had opposed it. I do not think he said who wished it. I believe Alderman Kennedy wished it, but I do not think Mr. Cameron told me so. I did not know the nature of the arrangement. I knew that its object was to amalgamate. The proposed loan to the London and Paris Bank was long after Cameron left. I should say the object was to give them the advantage of the ready money to operate upon the Stock Exchange.

Mr. Linklater—Do you mean for the purpose of doing what they call "rigging the market" with their shares?

Mr. Craufurd—Something to that effect. I think it right to mention it was strongly opposed by me. As soon as it came to my knowledge I opposed it tooth and nail (a laugh) in the board-room before the directors. I said it was a disgrace to the bank to introduce such a thing for a moment, but they told me they were committed to it, and showed me a letter to that effect. I was not in the board room until after Mr. Cameron left. It was after the meeting of the 1st of August that I told them it was perfectly disgraceful.



Mr. Linklater—What was the origin of the green ledger—whose scheme was it?

Mr. Craufurd—Mr. Cameron's. It was posted by a junior clerk. We could go and look at it. It was not open to the whole office, but the junior clerks had access to it. It could not be said to be secret. It was always lying on Mr. Cameron's table, generally in the room of the clerk who kept it, Mr. Monro. I do not know whether the accounts of the directors were placed before the board from time to time. This book contained the accounts of the directors and some of the officers of the bank. Some of the directors were in the habit of getting their bills discounted at the bank. The bills were not always taken before the Finance Committee for examination before they were passed, Mr. Cameron's functions, I suppose, permitted him to discount those bills without being referred to the Court. I have seen Mr. Humphrey Brown's bills passed without being referred to the finance committee.

Mr. Linklater—Do you remember objecting to some bills of Mr. Brown's produced on one occasion to Mr. Cameron for discount?

Mr. Craufurd—In Tokenhouse-yard Mr. Cameron handed me some bills, when Mr. Brown was present, to place them to Mr. Brown's account. I objected to some of the bills, and said, "This man is irregular; he did not pay the last time." Mr. Cameron told me, "You have your instructions." Mr. Brown was present, and the bills were discounted.

Mr. Linklater—Do I understand you to say, with reference to the balance sheet—that submitted to the meeting of the 1st of August, 1856, containing the accounts up to the 1st of June, 1856—that you did take in and lay upon the table at the court of directors the several particulars of which that balance sheet was composed?

Mr. Craufurd—That I swear.

Mr. Linklater—Now, did those particulars pass from hand to hand, because the directors were present at that time?

Mr. Craufurd—They did.

Mr. Linklater—Did you see these accounts in the hands of Stapleton?

Mr. Craufurd—I entertain no doubt I did.

Mr. Linklater—Did you see them in the hands of Mr. Esdaile?

Mr. Craufurd—Most positively.

Mr. Linklater—Did you see them in the hands of Alderman Kennedy?

Mr. Craufurd—I will not be positive as to Alderman Kennedy, he was so little there at the time. Mr. Valiant was there, and Mr. M'Leod was there.

Mr. Linklater—I understand you to say that you told the directors at the meeting at which Mr. Esdaile, Alderman Kennedy, Mr. Stapleton, Mr. M'Leod, and Mr. Valiant were present, that there were included in the assets bills which, to the extent of £42,000, you considered to be bad?

Mr. Craufurd—Certainly I did; and they were allowed to remain because the assets were so represented to the public. There could be no doubt that the directors were perfectly aware of it.

Mr. Linklater—I think the discussion with reference to the balance-sheet at that time occupied some hours?

Mr. Craufurd—Yes; it would be prolonged from a former day, and then it was resolved to call a special court or a special committee to consider it. Those papers were lying on the table from a very early hour in the morning, on one particular day especially, till late in the evening, and there was a good deal of discussion going on, except at the time when they were out at lunch. I was concerned in preparing the report of that meeting of the 1st of August, 1856. I drew out the report, which was submitted to the



court of directors. It was not approved by Mr. Esdaile. He wrote another out at his own house at night, which was decided upon the next day. Mr. Stapleton was present the next day, Mr. Gwynne, Mr. Valliant, and Mr. McLeod. I objected to sign that report. I said I did not think it was customary, and we had better assimilate ourselves as much as possible to other institutions. As far as my recollection serves me, I believe in other joint-stock banks the manager does not sign it. I said, "Gentlemen, there is your balance-sheet; it is for you to approve it;" and it was approved. This was before the meeting of the 1st of August. It was before Cameron left the bank. I think it was on the 25th of July. Mr. Stapleton at that meeting suggested a call of £25 per share, and Mr. Cameron distinctly gave every shareholder reason to believe that no further call would be made, but that if more money was required fresh shares should be issued. The directors at that meeting were discussing the balance-sheet generally, but not the call. The call was suggested by Mr. Stapleton at a time when there was no motion upon the subject, and ultimately the directors determined upon making a dividend of £4 per cent. Mr. Stapleton did not express any dissent from that course.

Mr. Linklater—You find his own wishes were that a call of 25% should be made, but, having expressed that, and hearing the opinion of the other directors upon that subject, did he not at last yield to your wishes?

Mr. Craufurd—Yes, he yielded. I did not hear him express any dissent. I attended the general meeting of the 1st of August. Mr. Esdaile was in the chair. Mr. Stapleton was there, and Mr. Alderman Kennedy was there. Mr. Humphry Brown was not a director then; his seat had been vacant some months before. I remember a shareholder asking a question about the Welsh works. I remember it being asked, "If you can assure us that the Welsh works are disposed of we shall be satisfied," or words to that effect. I remember Mr. Esdaile saying that he had no doubt, and, in fact, he might say that he had got rid of the Welsh mines, otherwise I should not have felt warranted in taking credit for interest, unless Mr. Esdaile could give me his firm assurance that the negotiation for getting rid of the Welsh works was likely to be successful—he gave me his firm assurance. I said, "On that firm assurance I will take credit for interest." That was on the 23rd or 24th of July. I told him unless he gave me that assurance I should not feel warranted in passing the interest to the credit of the interest account, and he gave me that assurance. I remember at the general meeting of the 1st of August Mr. Esdaile said, with reference to the Welsh works, "We have got rid of them I may say," and he turned to Mr. Stapleton. When he said that, Mr. Stapleton did not make any remark. I do not think he ever spoke at any meeting. This did not seem to satisfy the shareholders as to the Welsh works. I do not think any shareholder left the room without feeling that the bank was in a very insecure position.

Mr. Linklater—Mr. Esdaile has told us that one of the means that he had at that time by which he expected to get rid of the Welsh works was that Mr. Walker had been employed for forming a company.

Mr. Craufurd—Not employed.

Mr. Linklater—Had been spoken to?

Mr. Craufurd—That was nearly a month afterwards.

Mr. Linklater—Mr. Walker had not been spoken to upon the subject before the 1st of August at the general meeting?

Mr. Craufurd—Certainly not, and it could have no reference to the Welsh works.

Mr. Linklater—I think you were the gentleman who spoke to Mr. Walker upon the subject?



Mr. Craufurd—Yes; that was at the end of August.

Mr. Linklater—Then what Mr. Esdaile has said upon the subject would be untrue—that on the 1st of August, 1856, he expected to have formed a company through the agency of Mr. Walker?

Mr. Craufurd—He did not say he expected to form a company through the agency of Mr. Walker on the 1st of August, because it had not been mentioned till the end of August.

Mr. Linklater—I mean in his examination in this Court. If he said that one of the means by which he had expected on the 1st of August, 1856, that he could get rid of the Welsh works was the agency of Mr. Walker in forming a company, that would be untrue?

Mr. Craufurd—I do not think that the Welsh works were ever spoken of until the latter end of August. I remember at that meeting Mr. Stapleton asked a question with reference to the debt of Mr. Cameron. At that time Mr. Cameron had been ascertained to be largely indebted to the bank—nearly 30,000*l*. I remember having a conversation with Mr. Alderman Kennedy in the month of April, 1856. A question was asked what amount Cameron owed to the bank, and I said, "Many thousands;" but I said, "I have rendered repeated statements to Mr. Esdaile and some other gentlemen; you must have seen it." I said, "You know these bills are for shares." He said, "No, but the dividends accrued to the bank." I said, "No thanks to him for that; it is the bank's money." I do not remember Mr. Esdaile saying to the meeting that the debt of Cameron was quite recovered, and that the bank would lose nothing by him. I do not think he stated it in such strong terms as that. I think he said they had security, and did not contemplate any great loss. I do not remember hearing Mr. Esdaile say that a sufficient provision had been made for bad debts. I think he said more than ordinary. I never heard him say so. I remained at the meeting the whole time. I do not think he ever said that they had made sufficient provision. From the 31st of January, 1856, until the bank stopped, there had not been a single sixpence carried to the bad debt fund, and there had been no addition whatever made to the bad debt fund for the half-year ending the 30th of June, 1856, beyond the 1,000*l*. At the meeting of the 1st of August, 1856, it was resolved that Mr. Gillott, Mr. Butt, and Mr. Hurst should be the three new directors of the bank. I had a conversation with them with reference to Mr. Brown's debt, and the Welsh works, and other matters, a few days after they arrived, after they joined the court.

Mr. Linklater—Do you remember Mr. Esdaile saying any thing to you upon the subject? Did he say, "Do you think it was wise to give them all that information?"

Mr. Craufurd—I told Esdaile that, happening to sit near to Gillott, Gillott said to me, "Mr. Craufurd, what does Mr. Brown owe the bank?" and I told him; and I subsequently told Butt and Hurst, when they asked me. I also told Mr. Esdaile that I had told those gentlemen.

Mr. Linklater—On the 5th of August, I think, you prepared a circular, by direction of the Court, to be sent to the different shareholders of the bank?

Mr. Craufurd—Yes, prior to the 5th of August.

Mr. Linklater—And we find by the minute-book it was settled on that day.

Mr. Craufurd—I drew the draft, and Mr. Esdaile corrected it, and that is the correct copy.

Mr. Linklater—You remember it being settled on that day?

Mr. Craufurd—I have no doubt about it. The circular was sent out and distributed by the authority of the board.



The following was the circular sent out :—

"Royal British Bank, Threadneedle-street, London,  
"August 11, 1856.

"SIR,—In addressing you, as a shareholder in this corporation, and therefore interested in its welfare, I am desirous, as far as I possibly can, to induce you to co-operate in improving the business of the bank, and in raising it to the level of similar institutions.

"The progress of the bank has been considerably retarded by the want of exertion on the part of the proprietors, in not keeping their own accounts with the bank, and in failing to induce their friends and connections still further to do so. On this principle the older joint-stock banks have based their great success, by urging on each proprietor the importance of an active canvass to bring fresh accounts, and to add to the bank's business and popularity.

"The directors have, by every means in their power, acted on this principle, but without the co-operation of each individual proprietor our efforts must be only partially successful.

"Let me, therefore, beg you at once (if you have not already done so), to bring your own account, and that of every friend you can influence, to your own bank, where we fully believe the business facilities afforded are equal to any other joint-stock bank, and the benefits which will thus directly accrue to yourself, as a shareholder, must be most apparent.

"I am, Sir, your obedient servant,

"THOS. CRAWFURD, General Manager."

Mr. Linklater—And this circular was sent out by the authority of the directors after you had told them it was their duty to close the doors and call their shareholders together?

Mr. Crawford—Yes.

The Commissioner—How came you to put your hand to such a document?

Mr. Crawford—That was framed by me before I was told of the hopeless state of the Welsh mines.

Mr. Linklater—But it was sent out by your authority afterwards?

Mr. Crawford—I never saw it after that; it would go into other channels.

Mr. Linklater.—And it was after that the dividends were paid?

Mr. Crawford—Yes.

Mr. Linklater—Having discovered on the 5th of August, that the Welsh works were such a frightful affair, that there was such a large loss on the past due bills, and in truth that the whole paid-up capital was gone, you assumed that, as far as the shareholders were concerned, their money was lost, but you hoped there was enough to pay the depositor?

Mr. Crawford—Yes.

Mr. Linklater—Now, I must ask you, believing that that was the state of the banking account of the 1st of August, how came you to sign your name to the monthly return that went to the *Gazette* in August, 1856, representing that not only had the bank their capital of £150,000 untouched, but they were solvent and could pay all the depositors in full?

Mr. Crawford that account was made out by the accountant. I do not believe I ever saw it until you put it in my hand. These were generally signed by clerks before they were sent to the *Gazette*.

In reply to further questions Mr. Crawford said—The directors would not consent to forego their £2,000 a year; on the contrary, it appeared that they had received £1,000 of it long before it was due. There was some attempt on the eve of the dissolution, on the last struggle of the bank, to get



assistance from the National Bank of Ireland, and a balance-sheet was shown to that institution showing a deficiency of only £330,000. That account was shown hastily, and the National Bank was aware that it might not be correct within £50,000 or £100,000. I recollect a telegraphic message sent down to the port of Gloucester to ascertain whether a ship that had arrived was mortgaged—the *Rory Brown*. I sent down to ask whether it had been registered at Gloucester, whether it was free; the answer was that she was mortgaged. I gave the telegraph message to the chairman, Mr. Esdaile, in the board-room, while Mr. Humphry Brown was present; he did not see me give it to him, but I did give it. Mr. Humphry Brown was asked by Mr. Esdaile whether the vessel was mortgaged, and I asked him personally if the vessel was free. He said "Yes," and, I think, passed the telegraph message across the table to Mr. Esdaile, and that telegraph message stated that she was mortgaged, and I left it in the hands of the chairman to do what he thought proper. I have since learnt it was the fact that the vessel was mortgaged, I am quite sure that Mr. Humphry Brown said that the vessel was free; that I will swear to. The loss of the bank by bad bills alone had far exceeded the amount of all the dividends which the bank had ever paid, so that, in fact, there was no net profit of the bank at all. I have said, since 1853 I considered the losses by bad bills were more than sufficient to pay the dividend, and therefore they never should have paid a dividend till afterwards. Mr. Esdaile was more sanguine and hopeful than any other person. He thought that the altered management and the difference in the expenditure would improve the bank, and that the profits would be very considerable; but I did not urge him or any other person in terms to carry on the bank from the first hour I saw how it was. I advised them to shut it up. I knew that there was such a thing published as Menzies' pamphlet against the bank. I recollect the *Joint-Stock Company's Journals*, but never looked at them. I remember the action against the bank by Booker and Bolding, in June, 1856, in which they recovered damages and costs to the amount of £164 8s. 6d., and that has been entered as an asset of the bank, and interest charged upon it from 1851 to the present day.

Mr. Linklater said he would not now further examine Mr. Craufurd. On a future day he might, perhaps, put to him a few questions. Mr. Humphry Brown would be examined on Wednesday, and it was his hope that this troublesome inquiry would be brought to a close by that or one more day's examination.

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*Court of Bankruptcy, Basinghall-street, April 29.—Before Mr. Commissioner HOLROYD.*

IN RE ROYAL BRITISH BANK.—EXAMINATION OF MR. HUMPHREY BROWN.

More than ordinary interest was excited this morning by the appearance in court of Mr. Humphrey Brown, late member for Tewkesbury, as a witness. The court was crowded to excess.

Mr. Linklater appeared for the assignees, and Mr. Greville for Mr. Brown.

Before the examination commenced,

Mr. Wyld, M.P., contravened a statement made by Mr. Coryton, that the investigations which had taken place were not in accordance with the wishes of the depositors, and justified the conduct of the solicitors to the assignees, the proceedings were in accordance with the wishes of the depositors. Mr. Maxwell, another assignee, spoke to the same effect;



but for Mr. Linklater the wrong doing of those concerned in the bank would not have been exposed. Mr. Maxwell highly eulogised both the Commissioner and Mr. Linklater, and expressed his satisfaction that the case did not go into Chancery.

The Commissioner said it was simply the duty of the court to proceed according to the act of parliament with the examination.

Mr. H. Brown examined—I have offered to be examined ever since the bank stopped, and am now anxious to be examined. I became director on February 15, 1853. My appointment was made on the 4th of February. I do not know that my nomination took place on the 28th of December, 1852. (Minute-book referred to of December, 1852, showing the nomination.) I did not become a director until February, 1853. I put in a letter of Mr. Paddison's of February, 1853, showing that it is so. (Letter read from Mr. Paddison to Mr. Brown.) In order to qualify as a director I must hold ten shares of £50 a share.

Did you pay one shilling for your shares?—I gave my note of hand to Mr. Mullins, who said he acted at Mr. Cameron's instance.

Did you ever pay one shilling for those shares?—In no other way.

And your promissory note was dishonoured?—That was another promissory note.

Did you not agree to purchase from Cameron ten other shares?—Yes, they being Cameron's shares, and transferred from him to Brown. I gave £1,000 promissory note for the whole twenty-shares.

And that promissory note was dishonoured?—I don't know.

Did you ever pay anything?—No, I opened an account with the bank in February, 1853. I paid in £18 15s. at first. I borrowed on my note £2,000.

You paid in £18 15s. and borrowed £2,000?—Yes, but I kept a considerable account with the bank.

What security did you give the bank for the £2,000 on the day you borrowed the £2,000?—None on that day, but a security was contemplated on the Helen Lindsay, which cost me £7,000.

When was the security given?—In June, 1853.

When you gave that, you borrowed £7,000, did you not?—No. There was a bill for £2,000. I don't know that it was my promissory note. I don't know whether that bill went before the finance committee. I never borrowed money or got bills discounted as a director. Before I became a director I was not in the habit of getting bills discounted there. I can't say whether my bills were discounted there by anybody. I think not.

How came you to be a director?—I got connected with one or two companies in which Mullins was solicitor, and at his instance I joined the direction of the bank. I was a director of a Chartered Australian Company, not of a patent tile company. I was put there, without my cognisance, as chairman. I was a director of the Wandle Company, and of an Australian Land Company. As to the Wandle Waterworks Company, some of those who signed the deed never paid anything, but I did. I never was a director of a company for making deal boards out of sawdust. Those companies are defunct. Some of those companies kept accounts with the British Bank. The Wandle Company had £17,000 from the bank, but it has paid back but £800. The witness explained his conduct in reference to the Australian Land Company, but it seemed wholly irrelevant. On the 12th of March I obtained an advance of £3,000 from the bank. On the 2nd of May I borrowed £4,000; the £3,000 was on the Helen Lindsay. On the 2nd of May I paid off £2,000 by the renewal of a bill.

Show me your pass-book. (Handed in.) There is no such entry in your



pass-book for May, 2.—It is May 5. I borrowed £2,000 March 10, £4,000 May 2. The security I was to give the bank was the Helen Lindsay, which cost me £9,078. I arranged with Cameron to give the Helen Lindsay as security. These are not isolated transactions. My account in two years comprises about £500,000. The interrogatories ought to have been put in writing. What you refer to is one of the earliest transactions.

What of the £4,000?—I had a credit for a considerable time of £4,000 or £5,000. I can't say the first time I borrowed money I did arrange to give the Helen Lindsay. I knew Cameron two or three weeks before I joined the bank?

Is that your letter of May 4? (Letter read from Brown to Cameron, in which the former undertakes to give deeds and real property, if he could get a loan of £4,000.) The £4,000 credit, I have no doubt, went before the finance committee. That was Cameron's duty. If I were to inquire into such things, I might be in the bank from morning to night. I had no reason to believe that Cameron did not go through the transaction in the ordinary and regular way. On the 16th of June £7,000 is placed to my credit. That was the original debt—the £4,000 and the £3,000. I gave as security a bill of sale on the 10th of June on the Helen Lindsay. (Letters 5th June, from Cameron to Brown, put in, which contained two promissory notes for signature.) The witness proceeded. The understanding was, the bill of sale should not be registered. In September application was made to the bank for a further advance of £5,000, on securities to be approved—part in cash, and part in drafts. The money was placed to my credit.

All the money placed to your credit you drew out?—I did not draw out the £5,000.

You began by lodging £18 14s. 9d.—That was an accident. I began with £18, and ended with £77,000.

Commissioner—It is better to go on regularly.

Mr. Brown—The gross amount of my account is £66,673. It was intended that I should give the bank securities for that £5,000. I gave a memorandum of a mortgage of the ship Magdalena, and an agreement to execute a legal transfer whenever required. That memorandum could not be registered.

Mr. Linklater—Did you ask the consent of any director to those arrangements?

Mr. Brown—The regular course was for those things to be done by the executive officer, and it was a much more wholesome practice. (A laugh.) When I first joined the bank I have known the solicitor and others go to the counter and discount their own paper, but I put a stop to that. I asked no director for those advances. In fact, I may say that Mr. Cameron was the bank.

Mr. Linklater—And what were you? A director?

Mr. Brown—A director, very much in the dark. The letter produced from Mr. Mullins to Mr. Cameron, refers to the Helen Lindsay, and states that the vessel is my undoubted property. The loan of £5,000 in September, 1853, was renewed in January, 1854. The two vessels Helen Lindsay and Magdalena I mortgaged by legal mortgage to Mr. Walton, in February, for £10,000. I thought it was only right that the bank should have the securities for my discounts. I did not know that Mr. Walton's discounts were anything like the amount they were. According to the bank's statement, the balance due to them by me on November 30, 1854, was £13,386. On the 25th May, 1854, my account was overdrawn £2,368. On that day they discounted for me bills on Walton for £6,000. No



security was given, because it was part of another transaction. In June there is another item of £2,000, a renewal. In the same month another £2,000, on "convertible securities." That is only a renewal of the first bill for £2,000. The securities which I gave were liable for anything connected with the bank, either discounts or advances. I gave an undertaking to Cameron to that effect.

The Commissioner—The bank would have a right to hold securities against any balance, however it arose.

Mr. Brown—In July, 1854, I got £4,000 on the discount of Mould's bills. Mould was a large contractor; his engagements were by hundreds of thousands, he had got into difficulties, and those bills were a *bond fide* good debt to me. The bank gave him and me time, and still hold his paper. It has not been paid to this hour, but every shilling will be paid. On September 4, 1854, my drawing account was overdrawn £7,024, and on my discount account there was a large balance. There was a peculiar way of keeping the accounts of this bank. I was told it was the Scotch system. (Laughter.) I always thought that a man's balance on his drawing account and that on his discount account ought not to be mixed up together. I ought not to be considered a debtor for the balance of £22,800 on my discount account. This included Mould's bill for £4,000. I do not consider the amount a debit until the bills are dishonoured. That balance represents the amount of paper under discount. On September 4, 1854, I gave a mortgage to the bank of several ships, three of which were subject to a prior mortgage to Walton of £10,000, as a security for £15,000. Mr. Walton was then governor of the bank. The arrangement was that the transfer of the Gloucesterships should not be registered. I told the solicitor of the bank I would not have them registered, that I would not even give them as a temporary security. Mr. Paddison was the solicitor to the bank, and I did not employ my own solicitor. The governor, manager and solicitor of the bank arranged about the securities as they chose. On 29th of November, 1854, I signed an undertaking to register the five Gloucester ships on their return to London. Mr. Paddison had told the directors that the security was worth nothing, and had recommended that this undertaking should be taken. Of the liabilities of £22,800 on bills, in September, 1854, part of the bills may have been Rothschild's, and I did not consider those as liabilities.

Mr. Linklater—Might have been, but they were not?

Mr. Brown—No. Of this £22,000 I should be surprised to learn that only £2,000 had been paid. I first became aware that Oliver was indebted to the bank, I think, in October, 1854. At a court on the 24th of that month I was present; the minutes of the former court were read, and showed that Oliver's affairs were being wound up under inspection. It was not then expected that there would be a loss of some thousands. The trustees produced a statement showing an ultimate surplus of £150,000, but I did not believe this. In February, 1855, it became quite clear that there would be a large loss. After an absence of some weeks, I found a large amount of paper had been discounted for Oliver, and a fresh account opened. I complained; the accountant said the bills had been very regular, and were drawn on first class people in Liverpool. An angry discussion ensued, and I have no hesitation in saying that Oliver swindled the bank of £20,000 by his representations as to those bills. I believe he was introduced to the bank by Mr. Walton, the former governor, who afterwards admitted that he had done what was irregular, in reference to those bills. Though not legally, we



held him morally liable, and he handed over in consequence, bills of £8,000. It was a regulation of the bank only to discount for customers. Oliver's case was an exception. It was a rule of the bank only to discount for those who had a drawing account at the bank. That I was told was the Scotch system. (Laughter.)

Mr. Linklater—But this restriction did not extend to the directors?

Mr. Brown—No. (Laughter.) I take on myself the whole responsibility of the loss by Cochran. He was very unfortunate in 1853, through a fall in the price of timber. He required assistance of £4,000. Some £50,000 of bills were then running on his discount account. I dissected those bills, and showed that if £2,500 were advanced to him, £26,000 of those bills would run off. He got the security of some friends at Liverpool, and the advance of £4,000 was the means of preventing a much greater loss. Many of the bills were of a good character, such as the Bank of England or Messrs. Gurney would discount. In February, 1855, the committee on convertible securities was appointed on my motion, consisting of Mr. Esdaile, Mr. Spiers, and Mr. Valiant. I was very properly excluded from that committee, on account of my liability to the bank. I knew nothing of their proceedings, but was told that Cochran's debt would be covered by £3,000. On the 28th February, 1855, I owed to the bank in gross £25,506, including trade bills under discount. Of this, £11,942 was due on the overdrawn account. There was then considerable apprehension as to the debtors to the bank. Of the bills of £22,800 before referred to, I now find that the majority were paid. On the 14th February, 1855, the balance against me was about £20,000. I was then under liabilities to Walton in £33,211, besides the insurances of £2,848, and other items—in all, £40,869. Of this paper, £33,000 had been discounted by the bank—at least by Walton, the governor. He had then got five ships as security, of which he was first mortgagee. In my letters to Mr. Paddison and Mr. Esdaile, of February 14th, 1855, I proposed the transfer of my security from Walton to the bank, and expressed the apprehension that "some untoward circumstance at Liverpool" might cause the securities to pass into third hands. The "*Magdalena*" was not transferred to Walton as a security. She was chartered to the Government; and to avoid the penalties, as a member of Parliament, I sold the ship to Mr. Walton. It was not a mere nominal thing. I never got a shilling in cash. I never received from Mr. Walton any consideration for the ship, nor gave any back again when it was re-transferred to me.

Mr. Linklater—Was it ever intended that any money should pass?

Witness—That I decline to answer. The negotiation with the bank resulted in my relieving them of liabilities to the extent of £40,000. My securities were transferred from Walton to me, and from me to the bank; and I had the thanks of the directors for doing it. The bills were cancelled, as the best thing that could be done. By this arrangement, my liability to the bank was increased £40,869. But for this, I must have gone to the wall, and Walton too, and I don't know what would have become of the bank.

Mr. Linklater—Perhaps you would all have gone to the wall together? (Laughter.)

Mr. Brown—If Mr. Owen stated at the general meeting in September last, that he did not know of my debt of £70,000, it is untrue. The six London ships were re-mortgaged to the bank in March, 1855, as a general security, and that mortgage was registered. The five Gloucester ships never were registered. The ships mortgaged for £40,000 had cost me £65,500. The failure of Oliver had caused a glut of shipping in the



market, and a depreciation in value. This was in the autumn of 1855. Mr. Esdaile has sometimes asked me about the insurance of the Gloucester ships. I had taken some of the risks on myself, and became my own insurer. If they had gone to the bottom, I considered that the bank had got ample security. I considered that the Gloucester vessels were always at my disposal. I dealt with them as I pleased.

Mr. Linklater—What! Notwithstanding the mortgage to the bank in September, 1854?

Mr. Brown—Yes. I considered that I had a right to dispose of them as my own, in consequence of the arrangement that had been made. I believe the directors considered that I had this right, for there is no entry in their minutes as to these ships. On the 20th of March, 1855, there was a resolution that the interest on my securities should be reduced from 7 to 6½ per cent. This was the result of a committee's inquiries. That does not refer to the Gloucester ships. I think the directors believed all along that they had a control over the ships, but I still considered that I had a right to do what I liked with them, and, as a proof, I sold one of them. I had the full right to sell or mortgage them, but I should have felt bound to give the bank the advantage of the proceeds. I considered myself bound to account to Mr. Cameron for the proceeds of the sale or mortgage of those ships, or any other of my property. Still I dealt with them as I pleased, but I accounted to the bank for the money. On April 18, 1855, I wrote to Mr. Cameron, disclaiming any covenant with the bank that they should interfere with the freights. Very likely, at the same time, Mr. Esdaile was writing to me, claiming the right to register the ships, and threatening to interfere with the freights. I don't recollect any application by the directors to have the Gloucester ships registered. I should have thought it extraordinary, and should have decidedly objected to it.

The commissioner—Then what becomes of your undertaking?—No answer.

Mr. Linklater said, there was a more recent undertaking, dated 5th May, 1855, whereby Mr. Brown agreed to insure the ships, and cause them to be registered in the port of London.

Mr. Brown—That is my signature. It was never carried out.

The Commissioner—You seem to consider that an excuse?

Mr. Brown—The bank never attempted to deal with those ships. I undertook to register them in the port of London; but I never did, and never mean to do. (Disapprobation.) As I said before, I have sold ships and accounted for the money to the bank. If Mr. Esdaile has sworn that he repeatedly urged me to register those ships, it is untrue, at least he is mistaken if he said "over, and over, and over again." I don't recollect telling him that the bank could not be injured by the non-register of the vessels, because they were abroad. I won't swear that I did not. I undertook, both by letter and in the mortgage deeds, to insure the ships. I did not insure the "Hornet," while lying at Liverpool, chartered in October, 1855. The insurance was £1,100. I expected that Walton would pay it. I don't know whether the "Ocean Wave," then at sea, was insured at that time. It is very possible the old policy expired on the 31st July. The same with regard to the "Ambrosine" and others. I intended to insure the ships, but the freights were the fund out of which the insurance was to come. If four out of the six London ships were uninsured, I take no blame to myself for that. The insurance was managed between Mr. Cameron and Mr. Walton in such a complicated way that I never exactly understood how it was done. After hearing the letter of Mr. Cameron, on the 5th of October, 1855, I find that he applied to me to insure the ships, and complete the



security on those not registered in London, but I paid no attention to it. I believe I never promised to do so, notwithstanding my undertakings, in May and October previous. The letter produced, addressed to me by Cameron, admits the right of the bank to the security, and promises to effect policies on the large ships, and to transfer the Gloucester ships to London as they arrived. Notwithstanding that promise, I never performed it. On the 10th August, 1855, I had mortgaged the "Rory Brown" and the "Bride" for £6,000, and transferred the "Madonna" in September. It is very likely, notwithstanding my promise, that in October, 1855, the bank paid £2,280 for the insurance of three vessels. On November 26, 1855, Mr. Cameron wrote me, referring to former applications for the liquidation of my debt, stating the then balance against me to be £77,698, including over-drawings, loans on security, and bills under discount, and urging the giving of further security, and an immediate provision for past due bills. The letter is as follows.—

(Private.)

" 26th November, 1855.

"My dear Mr. Brown,—Being disappointed in not seeing you here to-day, as I expected, and fearing that I shall not to-morrow, being court day, have time or opportunity for any deliberate conference with you, I must thus communicate with you on the subject on which I had wished you to meet me.

"At the end of last year the balance at your debit on drawing account here was £13,663 3s., and your past-due bills amounted to £8,035, forming together a debt of £21,668 10s., exclusive of £5,561 16s. 3d. of current bills. I had, for some time previously, been pressing you personally, and by writing, to have this debt liquidated, and had your positive assurance that it would be so, and that you were in treaty for a loan of £20,000 for this purpose. I have just now before me a note from you from Tewkesbury, dated the 1st of December, 1854, saying that you were then in hourly expectation of a telegraph message from a party in town, who was sanguine of getting the money for you, and you sent me a note from another friend of yours, dated 30th November, saying that he was in communication with a gentleman to lend a similar amount.

"But the year ended, and the first month of 1855, leaving the above debt still as much as £19,898 3s. 8d., and the current bills £4,007 1s. 9d. I was then laid up by my severe and protracted illness, and after my being able to return to the bank in May, I found the sums standing at your name to be a debit balance on drawing account of £35,947 16s. 2d.; past-due bills, £4,000; together, £39,947 16s. 2d.; exclusive of convertible securities £9,550, and discounts £25,041 4s. 10d., or in all £74,539 1s. Before I went to Scotland, in autumn, your obligations were reduced £4,316 odd, and a portion of your debtor balance on drawing account, and some of your bills under discount, for which separate securities were taken from you, were transferred to your account of convertible securities, making the amount of advance under the latter head, £33,745 18s. 10d., but diminishing your overdrawn balance to £21,634 17s. 10d., and your discounts to £7,137 15s., leaving the gross amount of your obligations to the bank £70,222 8s. 4d. After my return from Scotland, I found your overdrawn balance increased between six and seven thousand pounds. Since then we have only received £3,997 on your account from the agents of the Hornet in Liverpool, which has been placed to credit of your C. S. account, but we have had since to pay to the debit of this account £1,281 0s. 1d. for insurance.



" In fine, your several accounts at present stand thus :—

1. Overdrawn balance on current account ... ..	£29,319	5	6
2. Past-due bills ... ..	8,843	10	3
	<hr/>		
	£38,162	15	9
3. Convertible securities ... ..	£31,029	18	11
4. Discounts ... ..	8,506	12	6
	<hr/>		
	39,536	11	5
	<hr/>		
In all ... ..	£77,698	7	2
	<hr/>		

" The whole sum at the end of January, when I was laid aside by illness, was £23,905 5s. 5d. On my return to the bank in May, it was £74,539 1s. A portion of this amount was, by an arrangement made with the directors during my absence, transferred from Mr. Walton's debit to yours, and other larger sums, not originally due to the bank, were, under the same arrangement, taken up by it, and securities held from you by Mr. Walton, were conveyed to the bank; but Mr. Walton was, at the same time, relieved from his previous personal liability for these.

" Had the 20,000*l.* you undertook to provide at the commencement of the year been paid to the bank, and had the securities accepted temporarily by the directors been realised, as I understood they expected at the time of the arrangement in spring, the results would be very different from what they are now.

" But standing as they do, an immediate remedy is indispensable.

" What should that be? This has been of late a subject of much thought and anxiety to me. I am most anxious that the difficulty should be solved in the way most accommodating to you consistently with the safety of the bank.

" Your whole obligations to it appear to be 77,698*l.* 7s. 2d., and from this we may, for the present, deduct the ordinary discounts, which may be allowed to run off in the usual way, 8,506*l.* 12s. 6d., leaving due 69,191*l.* 14s. 8d. The several shipping securities held by the bank, as valued by Mr. Walton at the close of last year, amounted to 65,850*l.*, and these would now, if all realised, most probably be found inadequate to cover the whole debt. I am now, therefore, to request that further security be provided to the bank to cover whatever this deficiency may reasonably be considered likely to be.

" But however necessary this may be as an intermediate measure, it is still more necessary that at least a portion of the outstanding debt be immediately paid; and the first requiring to be settled is your past due bills and over-drawn balance, amounting, as I have shown, to 38,162*l.* 15s. 9d. If it be necessary for this purpose to realise any of your shipping, I would suggest that, in the first instance, the smaller ships, and all which are not insured, and those not registered in the port of London, should be selected for sale.

" I beseech your friendly co-operation in this, and speedily, else early next month the mortgages must be effected through a broker.

" But were the above all liquidated, the amount standing on convertible securities (31,029*l.* 18s. 11d.) is (considering that the nature of the securities such as the bank never took in any case but yours; that they are constantly depreciating; and that they are subject to very heavy charges by insurance, &c., which the bank cannot continue to defray) such as would render it necessary in the course of the incoming year to realise the mort-



gages on the larger ships, unless you carry out your promise of twelve months ago, to raise a sum for the purpose of taking these securities out of the hands of the bank.

"I shall not add more now than briefly to restate the requisitions I now urge upon you, viz., 1. To provide immediate additional security for the bank. 2. To provide for the payment of the past due bills and overdrawn balance 38,162*l.* 15*s.* 9*d.*; and 3rdly, to prepare for the liquidation, in the incoming year, of the advances on O. S., 31,029*l.* 18*s.* 11*d.*

"To these different objects I beg your immediate and most earnest attention, and remain, very truly yours,

"HUGH INNES CAMERON."

Mr. Linklater—And you wrote an answer, asking the bank to pay 200*l.* for you, on receiving 100*l.* odd, and promising to be up on Tuesday? (Laughter.)

Mr. Brown—That was the best arrangement I could make, and the directors thanked me for it. The convertible securities committee was appointed in February, 1855. In December I had notice that they considered my securities insufficient, and were about to put the mortgages into the hands of the brokers to realise. Mr. Stapleton became a director in July, 1855. From conversations with him I am certain he was cognisant of the state of my account, either from the "green ledger" or otherwise. The figures in Cameron's letter I believe are tolerably accurate,—not many thousands out. (A laugh.) The "Magdalena," which was lost, was only insured for £4,000. I complained; it ought to have been £7,000. Mr. Cameron wrote in answer, stating that the insurances were higher than I had myself proposed in the first instance. On the 22nd of December I wrote to the governor on the subject of my debt. I shall be able to show that the whole of that is a debt taken upon myself to secure the bank and for interest. In that letter I complained of the extreme course pursued towards me in realising my securities, which nine months before I had increased by £30,000. I pointed out that ships were then low and freights high, and urged the importance of a quiet steady realisation of the property, by which £25,000 would be saved, while an opposite course might involve the ruin of all concerned. Esdaile and I had had a conversation as to the peril of the bank, and I said that, looking at the nature of the deposits, there was less danger to the bank from a run than from investigation by shareholders. I had from time to time called the attention of my colleagues to the position of the bank, knowing that I ran more peril from its stoppage than anyone else, on account of the large amount of my securities held by them. On that account I called their attention to the provisions of the charter and the position of the bank generally. In January, 1856, I may have had some conversation in the bank parlour with Cameron and others as to the amount of home freight due on the "Hornet." I received altogether £5,600, but kept none of it. The whole of the out freight was paid to the bank. What I received beyond what was paid to the bank went towards the disbursements of the ship. I don't know that I told Cameron £600 or £800 more was to be received. In October and November the bank received £5,600 from the freight of the "Hornet," which went to the credit of my account. The debit of £4,809 in the following month is in respect of renewals, not a shilling of the money was advanced to me. In March, 1856, Cameron wrote me, refusing to honour any more of my cheques, stating that a line had been drawn which would prevent the least addition to my account, and recommending me to apply for accommodation elsewhere. I had long wished to retire from the board. I had told them they must get men of more business habits, as the board was a lamentable exhibition.



(Laughter.) I offered to retire in February, 1856, but was told distinctly by Mr. Stapleton that I could not do so, on account of the vacancies. I only attended two board meetings after, one to protest against the balance-sheet. If I refused to retire after February it was because I had gone out by lapse of time, and was virtually no longer a director. I had ceased to act as such. On 8th March I wrote, in answer to Cameron's letter, declining to cease acting as a director, or to become one for the Welsh mine. I only attended one board after that, and then I was sent for in reference to the sale of one of the ships.

Mr. Linklater—Still you remained a director of the Royal British Bank?

Mr. Brown—I never went near the bank after the 25th of March. Mr. Esdaile wanted me to send in a letter of resignation, but I thought it an offensive proposition, and would not accede to it. I account for Cameron's letter of November because he knew that some of the director's were trying to get rid of him, and mine was the largest account. My account was virtually closed by the letter of the 1st of March; but I went to the bank whenever requested to do so by the directors. In May I wrote to Cameron, stating that I was in treaty for the sale of my large property at Twynning, which would relieve my liability. The property has been sold by the mortgagees, but nothing has come to me. Other mortgages are held by the Gloucestershire Banking Company, but their debt will be covered, and I hope there will be a surplus coming to me.

Mr. Linklater—Or to me?

Mr. Brown—I hope not. (Laughter.)

Mr. Linklater—Your account at the bank being closed on 6th March, tell us by what hocus-pocus you managed to get £1,020 from them in June.

Mr. Brown—Oh, there's no difficulty about that. (Great laughter.) They were then selling the "Helen Lindsay," "Hero," and other vessels; and the £1,020 in question was money received for freights, which Cameron consented that I should apply to disbursements on account of the vessel. A bill for £590 was discounted for me by the bank; this bill was received in part payment of freight from Liverpool. The bank did not discount a bill for me on the 6th of June. The entry of that amount appears to have been made in error, and is balanced by a similar entry on the other side. The statement by Mr. Craufurd as to the discount of bills for me after March is incorrect. There is a minute in committee of July, 1856, agreeing to advance me £337 to meet certain bills given for disbursements on the "Helen Lindsay." I got that amount, but Gold and Davy, the creditors on bills, have not got a shilling. I have heard that for that very bill some creditors have seized the ship at Hamburgh, and that the bank is likely to lose it. The bank stopped on the 3rd. It did not surprise me. On the 12th I received a letter from Mr. Paddison, demanding immediate payment of the balance of my general account, £75,137; but this was £12,000 overcharged. It was an idle ceremony asking me to pay it. In August, 1856, I received from Mr. Weymark £1,000 of the freight of the "Ambrosine." This all went in disbursements, I received £500 on the 1st of September, and took it to the bank. I saw Mr. Paddison, who refused to receive it, and told me to go and sell the ships for the most I could get, as the bank was in difficulties.

Mr. Paddison—I must deny that statement utterly.

Mr. Linklater—Mr. Paddison is a lawyer. Do you mean to tell us that he turned £500 away? (Laughter.)

Mr. Brown—I afterwards paid £500 in various disbursements. I did not ask leave of any one at the bank to do this. Whom was I to ask? The doors were closed, and a winding-up petition had been presented. I



supposed the directors had ceased to exist. I paid a liability on the "Helen Lindsay" to prevent her being attached on her return home. I did this under the advice of counsel; that opinion was taken in the May preceding. (It was produced.)

Mr. Linklater (after reading it)—Why, this has no more to do with the "Helen Lindsay" than the British Bank had with Gloucestershire.

Mr. Brown—I always understood that I was liable. After the stoppage of the bank I wrote to Mr. Paddison, expressing readiness to go into the account. My account, which commenced with a credit of £18, showed a balance against me at the stoppage of the bank of £63,000. After Cameron left, I had an interview with Esdaile and Craufurd, in the bank parlour, on the subject of the "Bory Brown." I did not state to them that the vessel was free. I said it was mortgaged.

Mr. Linklater—They have both stated that you said it was free. Are they telling a deliberate untruth?

Mr. Brown—I believe they are. I am certain I did not say the vessel was free, and that Craufurd did not ask me such a question. The fact was the vessel was mortgaged for £3,000 to Mr. Hartland, in August, 1855. I mortgaged it again to the bank in September. Cameron had been pressing me to make advances, and with this view I effected the first mortgage. On December 30, 1854, I borrowed £4,000 of the Gloucestershire Banking Company, giving securities worth £6,000. Out of that £4,000 I paid to the Royal British Bank £2,600.

Mr. Linklater—And the bank went on trusting you, believing that they had a mortgage of the "Bory Brown."

Mr. Brown—If I had not got that money, my account would have been ultimately larger than it is. The bank wished me to relieve them of some of the securities they held.

The Commissioner—How any man of sense can go on making the excuses you do, I cannot imagine. You gave an undertaking to let the bank have the security of these vessels; and there is no doubt the transaction is a fraudulent one.

Examination continued—Of the proceeds of the "Madonna," sold in September, £950 was paid into the bank. On the same day they paid my acceptance to Stacey's draft for £1,740; but this was in respect for disbursements for other ships. I found a purchaser for the "Hero" in April, 1856; but the bank preferred to attend and receive the money themselves. I attended nearly all the general meetings from August, 1853, to February, 1856. At the latter period it was pretty well known that the bank was in a critical state; I had thought so before. I was not a member of the secret committee. I proposed that all the securities should be examined and valued, and told Mr. Cameron the time had arrived when we should look the difficulties in the face. He agreed that it should be done. In May, 1855, I brought the matter before the directors, and proposed to take the opinion of the Attorney-General. The directors said I was bound not to do it by my position. No steps were taken for valuing the securities. In January, 1856, I took objection to the balance-sheet; it was re-discussed. I disapproved of the statement about the provision for bad debts, and I did not go to the general meeting. I said that instead of a dividend being declared, the more manly way would be to make a call of £25 per share. I have no doubt that the capital had gone. I did not yield to the persuasion of the directors and acquiesce in a dividend of 6 per cent. At one time Mr. Esdaile and I thought we had got the Welsh works leased on favourable terms; the negotiation was in June, but it went off soon after. I knew, in 1855, that Cameron was largely indebted to the bank, and pro-



posed that £1,000 a year of his salary should go in reduction of his debt. I also proposed that the directors' allowance should be discontinued, but Mr. Stapleton and others objected. There was a stormy general meeting in February, 1856. I was present and heard the report read, stating that 3,000 new shares were to be issued. I had objected to the proposal, but did not tell the shareholders it was all moonshine. This is an easy question to put, but it is difficult to say why I did not do so. In conjunction with Mr. Beveridge, I had the management of the Welsh works up to 1853, and knew as much of them as any one. The moment I got into the direction I found that that was the log around the bank's neck, and would pull it down if not got rid of. I devoted fully half my time to it without a farthing of remuneration. I knew that much of the capital had been lost. The report in February, 1856, represented solvency; but I did not tell the shareholders that great part of the capital had been lost. I decline to state whether anything is available for my debt beyond the securities held by the bank. I did not believe the bank was insolvent. Till Cameron left I believed him to be a man of independent property—he talked so large. (Laughter.) I believed this up to the last hour. Just before he went he asked me to assist him in raising £1,500 on some shares. I knew he had been dismissed, but did not hear that criminal proceedings had been threatened. I did not attend the meeting of shareholders on the 20th of September. I expected to be made a scapegoat to save other people. I found that my name had been used in a most abominable manner. I think the report of that meeting did great injury to the bank. I afterwards wrote to Cameron complaining of the attacks of the press, and saying that those in the *Times* were instigated by some of their old associates, through the accountant Coleman. I have reason to believe that that statement was correct. The report was a most unfair one. I said, "One would suppose no one had ever owed a bank any money before," and that it was a bungling concern at the best.

This closed the examination of Mr. Brown.

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*Court of Bankruptcy, Basinghall Street, April 30th—(Before Mr. Commissioner HOLROYD.)*

IN RE ROYAL BRITISH BANK—THE EXAMINATION MEETING.

THIS was the adjourned sitting for the last examination of the directors under the bankruptcy; but the balance-sheet not having been filed, another adjournment was, of course, necessary. Mr. Coleman, the accountant, states that some time will yet elapse before the accounts can be filed, owing to the books being required for the purpose of examination of the directors and officers before this Court.

Mr. Linklater appeared for the assignees; Mr. Reed, Mr. Lawrance, Mr. Freshfield, Mr. Mason and Mr. Venning for directors and other parties interested.

Mr. Gillott, Mr. Butt, and Mr. Hurst, the "new" directors, were in attendance for the purpose of being examined if necessary. Mr. Esdaile and Mr. Valiant were also present.

Mr. Linklater stated that, notwithstanding the diligence of Mr. Coleman, owing partly to the books being required elsewhere, the accounts had not yet been completed, but would be so in a fortnight. It was proposed to take an adjournment for two months. He had insisted that the directors should be in attendance that day; Mr. Alderman Kennedy, Mr. Stapleton and Mr. M'Leod were not present, but the other five were. A medical



certificate from Dr. Robertson, of Wiesbaden, stated that Alderman Kennedy was labouring under serious disease—that his case required relaxation from all bodily and mental exertion—and that a journey to London would be dangerous to his life. It was hoped that he might be able to attend before the day to which the examination was adjourned.

Mr. Reed, who appeared for Alderman Kennedy, asked that the medical certificate might be filed, with a memorandum that the alderman had been prevented attending by the state of his health.

Mr. Freshfield said he believed Mr. Stapleton's absence arose from oversight or misunderstanding. He would undertake that Mr. Stapleton should appear at any time that might be desired.

His Honour directed a memorandum to that effect to be put on the proceedings.

Mr. Hugh Thomas Cameron, son of Mr. Cameron, the late manager of the bank, deposed that his father was now in Paris. Mr. M'Leod, one of the directors, was now suffering from small-pox, and was quite unable to come out.

The last examination was then adjourned till the 24th of June.

Mr. Linklater proposed to take the examination of Mr. Gillott, Mr. Butt, and Mr. Hurst. There would then only remain the examination of Mr. Alderman Kennedy, and one or two other persons. It was not proposed to examine Mr. Paddison, who had already given all the information in his power to the assignees, and was in no way inculpated in the mismanagement of the bank.

Mr. George Gillott (examined by Mr. Linklater)—I was a member of the firm of Gillott and Essell, of the Strand, tailors. I was a director of the bank at the failure. I was one of the original shareholders. I was led to believe that the charter limited our liabilities to double the amount of our shares. I regularly attended the half-yearly meetings all through, and took an active part at some. In January, 1853, I complained of the manner in which the bank was conducted, and addressed a circular to the shareholders urging the importance of seeing that the directors adhered to the charter, and of introducing new men to the board and as auditors. About that time I also published a pamphlet, and circulated it among the shareholders, pointing out irregularities in the mode of filling up vacancies in the board, and the desirableness of having more mercantile men in the direction.

The Commissioner—Was there any name to that?

Mr. Gillott—Yes, I appended my own name to it. At the general meeting in February 1853, this pamphlet and circular were alluded to. Mr. M'Gregor, the then governor, was in the chair; Mr. Esdaile, Mr. Cochran, and others were present. My proposal about the oldest directors retiring was forcibly condemned. I had then ascertained that the notion of limited liability was a farce—it did not exist. I proposed Mr. Bremner as a director at that meeting, but the proposal was negatived, and Mr. Humphry Brown, then M.P. for Tewkesbury, was chosen. I moved that there should be three instead of two auditors as heretofore, but it was opposed by the directors, and negatived. The old system went on. The directors did as they liked, and no auditor was appointed. Two or three days after, I addressed a letter to the directors, charging them with tampering with the shareholders, and stating that none of the directors held more than ten shares. The directors, in answer, simply expressed their regret that their measures did not meet my approbation. Before the general meeting of February, 1855, the directors had resolved on each taking 10 shares more in the bank. At the meeting in February, 1854, I was proposed as a



director, but it was opposed by the directors, and Mr. L. M. Valiant was elected. I did not approve of the motion for placing me on the board. A proposal to increase the number of directors from eight to ten was opposed by the directors, and negatived. The annual vote of 2,000*l.* to the directors was passed, and the two auditors were continued. Next year Alderman Kennedy came in, and we were satisfied with that. At the general meeting in February, 1856, we were told that everything was going on satisfactorily, that the supplementary charter had been obtained, and that new shares were about to be issued at a premium of 5*l.* per share. In May or June, 1856, I determined on getting some authentic information, and had an interview with the directors in the back parlour. Cameron and, I think, all the directors were present. Four or five shareholders accompanied me. We went to seek for information. We expressed uneasiness at the attacks on the bank, but were told that it would be unwise to prosecute the *Joint Stock Journal*, and that it was an attempt to extort money. It was admitted that the Welsh works had been in the possession of the bank some time, and that to force them on the market would incur a great loss. We came away with the impression that 30,000*l.* or 40,000*l.* was thus locked up. I have since learnt that the amount was then 100,000*l.* Had I known that I would not have joined the direction. The directors gave us no notion that there would be any considerable loss. We asked about H. Brown's debt, and Mr. Esdaile, who answered nearly all the questions, said it was covered, and the bank would lose nothing. Inquiry was also made as to Cameron's debt, and we were given to understand that securities had been lodged. Allusion was made to some very extensive sheep-walk in the north, with thousands of sheep belonging to him. We had no notion that he owed the bank 30,000*l.* The directors did not tell us that he was under dismissal. We had heard of Blacker's and other bad debts. The directors denied holding any Westminster Bonds as a positive security—only one of 5,000*l.* as a sort of collateral security. Nothing transpired at that interview to induce me to doubt the safety of the bank, or to suppose that a considerable part of the paid-up capital had been lost. I recommended that, in consequence of the bad debts, to the amount of perhaps 20,000*l.*, there should be no dividend at the next general meeting. It was suggested as a matter of policy that the losses should not be discussed at the general meeting. I had no notion that the bank was then insolvent to the extent of 200,000*l.* I attended the general meeting in August, 1856. It was a comparatively quiet meeting. I felt that if there was a loss of 20,000*l.* or 25,000*l.* it might be recouped. Mr. Stapleton suggested a call of 25*l.* per share, and I was rather inclined in favour of it. I had supplied the establishment with their liveries. I was nominated a director on the 22nd of July, accepted the office on the 24th, and took my seat on the 5th of August. Before this I heard that Cameron had gone, and expressed great satisfaction. I understood that he had been dismissed. The shareholders generally did not know this. At the first board we were led to understand that H. Brown owed the bank a large amount—something like 30,000*l.* Cameron's debt was not mentioned. Mullips's debt we were told would be covered. We were not told that the bank was saddled with the Welsh works till about the middle of August. I objected to any further outlay, and then got to know that about 123,000*l.* had been expended. For the first two or three weeks the new directors were picking up information by degrees.

The Commissioner—Why did you not inquire for yourselves?

Mr. Gillott—I was in no way acquainted with banking matters and could only pick up my information by degrees. In two or three weeks we got



into much alarm, owing to the continual fall in the shares; all that we could do was to provide for the current liabilities. I never looked into the "past-due bill book." Had no notion that the past-due bills amounted to about £90,000. I only heard the amount from Craufurd after the doors of the bank were closed. I understood that Mr. Empson and a committee looked after those bills. I only knew of the arrangement with the London and Paris Bank after it was made, and regretted that that additional taint should be thrown upon us. I was, as it were, learning my business for the first few weeks. The bank closed on the 3rd of September. The determination to do so was a matter of twenty minutes. We had sought assistance from the National Provincial Bank of Ireland, and had had an advance of £20,000 on bills from them, either on the day of the closing or the day before. We had about £50,000 in the bank when it closed. For some days we had felt the bank was in jeopardy, but continued to receive money. We could not do otherwise without closing the bank. There was not much received—some thousands, perhaps.

Mr. Paddison denied having taken any part in the representations made in May, 1856, to Mr. Gillott about Cameron's securities. He had stated at the time that he did not then know the amount of Cameron's debt. He had been instructed to prepare a security on the Dingwall property to cover £15,000.

Mr. Gillott (in answer to the court) said he did not remember Craufurd telling Esdaile that as the negotiation for the Welsh works had not gone off, they ought at once to close the doors, or that it was roguery and deception to keep them open longer.

Mr. Butt and Mr. Hurst were also briefly examined.

During the proceedings Mr. Stapleton arrived in the court, and the adjournment was made in his case the same as the others.

The last examination stands adjourned until the 24th of June.

*Court of Bankruptcy, Basinghall-street, May 4.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

Mr. Linklater—Your Honour was good enough to say that I might proceed with the examination of Mr. Valiant, one of the directors, but the warnings of my medical advisers, after the labours of last week, were such that I felt compelled to abstain from all work for the last three days. I am not, therefore, in a position to proceed with the examination of Mr. Valiant to-day. It is an examination of rather an unimportant character, as Mr. Valiant was merely a director for a short period, and, in fact, it would occupy but a very short time. I am not now in a position to ask your Honour to give me any other day, because Mr. Alderman Kennedy and Mr. M'Leod, who are the only two other directors among the number called upon to prepare the balance-sheet whom I have not examined, are at present absent. The first is abroad, and the other, although in this country, is prevented by illness from attending. With the exception, as I mentioned the other day, of Mr. Owen, whose examination we shall be able to take when he finds it convenient to come from abroad, I have brought to a close the labours of the assignees, and of course I am happy to be able to say that I have closed my own labours in these examinations. It is true that, although much has been done, yet much remains behind. The assignees, however, think that it would only be repeating the same story over and over again, and be, in fact, a repetition of the exposure of details which



are sufficiently wearisome, if not revolting; and, therefore, I do not propose to trouble you further, nor do I propose to inflict upon the Court the pain of listening to many details which still may have to be disclosed, and which may have to make their appearance upon a future occasion in another place. There appears to be some apprehension in the mind of the public that these examinations have been without object. I may take this opportunity of stating that not only have they not been without object, but I trust they will not be without beneficial result. I say advisedly, as a lawyer, that I believe there is already quite sufficient upon the records of this Court to insure a certain conviction, if a prosecution be instituted. (Hear, hear.) It remains with the Government alone, and I have no reason to suppose that the Government is not quite alive to the great necessity and importance of instituting a prosecution—I say, Sir, it remains for the Government alone to determine who shall be the objects selected for the punishment which, undoubtedly, some of the persons implicated in this inquiry merit. It is not for me to dilate now upon that question; but I think it is exceedingly important that the public should be aware that it is the opinion of more than one of the profession that the disclosures which have taken place in this Court show abundantly sufficient ground for instituting a criminal prosecution, and that the law is adequate for the purpose. I believe that the day is not very far distant when we shall find the Government, having its attention called to the subject, as it will be by your Honour's valuable report upon the result of these proceedings, adopting measures, the effect of which will be to satisfy the public justice of the country. (Hear, hear.)

The Commissioner—After what you have stated, will it be necessary to examine Mr. Valiant at all?

Mr. Linklater—Possibly not; he is one of those directors whose examination, your Honour sees, we are entitled to take, and entitled to use elsewhere. If it shall not be found necessary, we will not trouble your Honour any further with the evidence, except that which is of a mere formal character.

The Commissioner—There is some documentary evidence?

Mr. Linklater—Yes, Sir; and also some more formal evidence, with which we need not occupy the public time, and which may be put upon the proceedings. I shall be prepared with that in the course of a week or so, and therefore it will not be necessary to trouble your Honour with the matter any further.

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*Court of Bankruptcy, Basinghall-street, May 14th.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

His Honour gave judgment in this case. He said,—Mr. Linklater, the solicitor for the assignees, having a few days since intimated to the Court that he had, at least for the present, closed the examinations in the matter of the Royal British Bank, with the exception of some formal depositions and some documentary evidence, I have considered what course it is the duty of the Court to take with reference to the case as it now stands. According to the act of Parliament under which this inquiry has been conducted, the 7th and 8th of Victoria, cap. 111, sec. 25, a report of the cause of the failure of this company is to be made by this Court to the Board of Trade, and the Court is to be at liberty to state any special circumstances relating to the formation or management of the affairs of the company;



but by the terms of the act this report is to be made to the Board of Trade after the company have passed their last examination. Now, the last examination has been adjourned to the 24th of June, but, nevertheless, notwithstanding the provision in the act to which I have referred, I think that the Court, in a case calling for its interposition, ought at once, *ex mero motu*, to direct copies of any examinations taken under the bankruptcy to be transmitted to Her Majesty's Attorney-General, so that the Government may be advised by the law officers of the Crown as to instituting criminal proceedings. To wait until the passing of the last examination of the company might tend to occasion inconvenience, if not to defeat the ends of justice. I think this is not a case for further delay. I do not believe that a scene of greater recklessness, fraud, and criminality of conduct in the management of a banking establishment was ever exhibited in a court of justice than is disclosed by the examinations taken in this Court under the adjudication of bankruptcy against the Royal British Bank; and I may observe, that these examinations will be admissible in evidence against the parties in case of a prosecution—see *Reg. v. Scott* (1 D. and B. Cr. Ca., 47); *Reg. v. Haggett* (1 D. Cr. Ca., 856.) It will be necessary to a correct understanding of the remarks which I am about to make to refer shortly to the act for the regulation of joint-stock banks in England, and to the charter of the company, and to some of the most material provisions in the deed of constitution of the company—viz., the 1st, 2nd, 3rd, 18th, 33rd, 34th, 36th, 44th, 45th, 47th, 60th, 63rd, 64th, 65th, and 71st. By the statute 7th and 8th of Victoria, cap. 113, after providing for the mode and form of petitioning the Crown for a charter or letters patent by a joint-stock banking company for the carrying on the business of bankers in England, it is enacted that the deed of partnership of the company shall be prepared according to a form to be approved by the Board of Trade; and shall, in addition to any other provisions to be contained therein, contain certain specific provisions for the following purposes (that is to say):—1. For holding ordinary general meetings of the company once a year. 2. For holding extraordinary general meetings upon a certain requisition, &c. 3. For the management of the affairs of the company, and the election and qualification of directors. 4. For the retirement of at least one fourth of the directors yearly, and for preventing the re-election of the retiring directors for at least twelve calendar months. 5. For preventing the company from purchasing any shares, or making advances to any person on the security of a share. 6. For the publication of the assets and liabilities of the company once at least in every calendar month. 7. For the yearly audits of the accounts of the company by two or more auditors chosen at a general meeting of the shareholders, and not being directors at the time. 8. For the yearly communication of the auditors' report, and of a balance-sheet and profit and loss account to every shareholder. 9. For the appointment of a manager, or other officer to perform the duties of manager; and that the provisions of the deed, with such others as to Her Majesty shall seem fit, shall be set forth in the letters patent. It is then provided that it shall not be lawful for any company to commence business, until the deed has been duly executed, and all the shares subscribed for, and at least half the amount of each share has been paid up; and it shall not be lawful for the company to repay any part of the sum so paid up, without leave of the Board of Trade. Next follows the provision authorising Her Majesty, by letters patent, to incorporate the company for the purpose of carrying on the banking business. The material articles in the deed of constitution of the company will be found to this effect:—The parties to the deed were to form a public joint-stock banking company,



and the capital of the company was to consist of £100,000, in 1,000 shares of £100 each, to be increased if need were. The business of the company was to consist in receiving deposits of money, and keeping customers' accounts, and transacting every kind of usual banking business, and in advancing or lending money on real or personal and other kind of securities enumerated in the deed; and the court of directors might give credit, either with or without security, upon cash accounts, to any of the proprietors or to any other person, to such amount, at such rate of interest, and upon such terms, as such court should think proper, agreeably to the by-laws for the regulation of advances. The cash credits to be in the discretion of the directors, but no director was to vote on any motion for an advance or discount to himself; and any part of the capital or funds of the company not required for the immediate purposes or business thereof was to be invested by the court of directors in or upon any public or private real or personal securities as the court should think proper; and the company were prohibited from purchasing their own shares, or making advances of money to any person on the security of shares (see articles 1, 2, 3, and 33). Article 18 is to this effect:—That all the general affairs, business, and concerns of the company, shall be under the management, superintendence, and control of the court of directors, as thereafter mentioned; and that they shall have the entire, sole, and exclusive control, management, and disposal of the property and revenues of the company, and shall regulate and determine the mode and terms of carrying on the business thereof; and the court shall have power to nominate and appoint, under such conditions and on such terms as they shall think proper one of their own number, or any other person, to be general manager, for conducting, under their superintendence and control, the business and affairs of the company, with such salary as the Court shall see fit; and the general manager, if of their own number, shall cease to be a director. Then, by Article 36, which provides for the keeping all necessary and proper books of account, the court of directors, once at least in every month, are to settle and adjust and balance the said books, and make out, declare and publish in such manner as the court shall think proper, a full, true and explicit statement and balance-sheet, exhibiting the assets and liabilities of the company, and the amount and nature of the capital and property thereof, and the then fair estimated value thereof, and the amount of the company's negotiable obligations then in circulation, and the profits and losses of the company, and all other matters and things requisite for fully, truly and explicitly manifesting the actual state and position of the affairs thereof. Article 44 provides for the general yearly meeting of the proprietors in the month of September, and by the next article (45) the court of directors, if they think it expedient, may hold a second general meeting, to be called a general half-yearly meeting of proprietors; and if a half-yearly meeting be not called, the court is to prepare and furnish to every proprietor at the end of each half-year for which no such meeting is called such a printed report of the progress and proceedings of the company and the state of the profits and funds, assets, and liabilities thereof as the court shall think proper be made known; and a balance-sheet, and profit and loss account, and also a report on the accounts by the auditors are, in the month of September in every year to be sent by the post to every proprietor. By Article 47, the court of directors at every general meeting of proprietors shall exhibit a true and accurate balance-sheet and report of the profits and accumulations of the joint stock or capital from the commencement of the business, or the end of the period included in the last preceding report. Then, as to declaring dividends, Articles 60 and 63 are to the following effect:—That at the end of the first



six months of every year, and also at the end of every second six months of every year, except as thereafter mentioned, the court of directors shall determine upon, appoint and declare such dividend for the period then elapsed, out of the clear profits of the company then actually accrued and reduced into possession, as they should think fit; and if the Court of Directors shall think proper they are not to make any dividends of the profits during the first year of business, and such profits shall form part of the "surplus or reserved fund," and in each succeeding year the net profits, after making deduction and allowance for bad and doubtful debts, shall, after setting apart such proportion of profits as the directors shall think requisite for the surplus fund, be divided among the proprietors; but no proportion of profits is to be set apart for the surplus fund, if by reason thereof the dividend will be reduced below 4 per cent.; and the surplus fund for the time being is to be added to the capital, and never to be considered part of the profits. By article 64, at every annual general meeting, the proprietors are to appoint two or three persons, not being directors, to be auditors for the year ensuing, for the purpose of examining and auditing the accounts of the directors; and the auditors are to sign such accounts, if found to be correct; but if any errors or misstatements shall appear upon the examination of such accounts, the auditors are authorised to call a special general meeting of the proprietors, and to report to the meeting the result of the examination, or to lay the same before the next general meeting; and the auditors are empowered to require the production of the books, vouchers, writings, and documents relating to the said accounts, and to require the assistance of the general and other managers, accountants, clerks, and officers of the company, or such of them as they shall think proper in the investigation of such accounts. The 65th article provides for petitioning the Crown for leave to increase the capital of the company by supplemental charter, and that the holders of new shares are to be bound by the terms of the deed, and subject to the same liabilities as the original shareholders; and that one-half of the amount of such shares is to be paid up before issuing the certificate thereof, and that it shall not be lawful for the company to repay the sum so paid up, or any part thereof, without the consent of the Board of Trade. And by article 71, if at any time the court of directors shall find that the losses of the company have exhausted all the "surplus or reserve fund," and also one-fourth of the capital actually paid up, they shall, as soon as possible, call a special meeting of the proprietors, and submit to such meeting a full statement of the affairs of the company; and if it shall appear at such meeting and be declared by a resolution of the majority of the proprietors present that the losses of the company have exhausted the said fund, and also one-fourth of the then paid-up capital, the chairman shall declare the company dissolved, and the same shall be dissolved accordingly, except for the purpose of finally closing and winding up the affairs of the company. Then, by the charter or letters patent incorporating the company, it is declared that the several regulations contained in the deed of constitution, or in any bye-law or supplemental deed to be made in pursuance thereof, shall be the existing regulations of the corporation, and it is thereby declared that the corporation shall not commence business until it shall have been certified to the President of the Board of Trade, by at least three of the directors of the corporation, that all the shares have been subscribed for, and that the deed of constitution has been executed personally or by power of attorney by the holders of all the shares in the business, and that a sum of not less than one-half of the amount of each share has been paid up in respect of each share, as directed by the act, of £50,000 at



the least, being half of the capital of the said corporation, is to be paid up within twelve calendar months from the date of the charter. Now, nothing can be more clear and explicit than the provisions in the charter as to the duties of the directors and other officers of the company, and I may here remark that where a duty is thrown on a body consisting of several persons, each is individually liable for a breach of duty, as well for acts of commission as of omission—that is, each individual of the body who does not do what in him lies to discharge his public duty, contracts by his negligence individual guilt (see *Rex v. Holland*, 5, T.R., page 607), and where parties are required by law to certify as to a particular fact, it is not necessary to show that they knew at the time that the contents of the certificate were false. In order to support an indictment for conspiracy to obstruct the course of justice by producing a false certificate, it was held sufficient that the person certifying the facts as true, agreed to do so without knowing that it was true (see *Rex v. Maubly*, 6, T.R., 619). It is not necessary on the present occasion to go in detail into the facts brought to light during this most painful inquiry, or to single out any particular persons as delinquents; that will be for elsewhere and hereafter; but having regard to the course pursued in the management of the affairs of the Royal British Bank, in defiance of the act of Parliament to regulate joint-stock banks, and of the provisions in the charter, I think that the directors and general managers of the bank are open to some one or more of the following charges.—1st, commencing business before all the shares were subscribed for, and at least half the amount paid up, and repaying part of the sum paid up without leave of the Board of Trade, contrary to the form of the statute (7th and 8th Vict., cap. 113, section 5), and the terms of the charter, page 53. 2nd, making, declaring, and publishing false statements and balance-sheets of the assets and liabilities of the bank, and of the amounts and nature of the capital and property and value thereof, and of the profits and losses of the company, thereby concealing the actual state and position of the affairs of the corporation, and giving a semblance of solvency where the reality had ceased to exist, and sending false reports and balance-sheets and profit and loss accounts to the proprietors, in violation of the articles 36 and 45 of the deed of constitution in the charter, as required by the statute 7th and 8th Victoria, cap. 113, section 4. 3rd, declaring dividends when no profits had been made, but on the contrary, when the affairs of the corporation were greatly embarrassed and large losses had been incurred, and when, according to the terms of the charter, not a single farthing ought to have been allowed for dividend (see articles 60 and 63; and see P. Lord Campbell, in "*Barnes v. Pennell*," 2 House of Lords Cases, pp. 509 and 524-5). 4th, conspiring to raise the price of the shares of the company by illegal means and with a criminal view. To give a fictitious price to the shares of a company (which are a vendible commodity in the market) by means of false reports and publications, or by declaring dividends when there are no profits, or by the company buying their own shares, is a fraud levelled against the public (see "*Rex v. De Beranger*," 3 M. and S. 67; and see P. Lord Campbell in "*Barnes v. Pennell*," 2 House of Lords Cases, 524-5; and see proviso to article 3 in the charter.) 5, conspiring when in a state of insolvency, and when the losses of the company had exhausted the "surplus or reserve fund" and one-fourth part of the paid-up capital—I say, when in such a state, conspiring to obtain a supplemental charter from the Crown by false representations and by false reports and balance-sheets, and making dividends when not justified in so doing, and thereupon issuing new shares or obtaining deposits for new shares at a premium, with



intent to cheat the public and in contempt of the prerogative of the Crown. 6th, making such repeated gross misapplications of the funds of the bank by large loans to some of the directors and other persons, on terms of the utmost risk, in total disregard of the discretion vested in the directors by the charter, with consequent serious loss to the corporation; embarking in a hazardous speculation by laying out large sums of the bank money upon an undertaking quite foreign to the business of banking—I refer particularly to the Welsh mines—and thereby also incurring heavy losses; not exercising proper superintendence and control over the general manager in conducting the business and affairs of the company; and though the directors found that the losses of the company had exhausted all the “surplus or reserved fund,” and also one-fourth of the capital actually paid up, failing to call a special general meeting of the proprietors and to submit to the meeting a statement of the affairs of the company as directed by the 71st article of the deed of constitution, all which several instances of misconduct under the sixth head were in direct violation of the terms of the charter. (See articles 3, 33, 34, and 71.) I may here add that the petition to the Crown for the original charter contained false representations as to the payment of the deposit on shares. With respect to the auditors of the company it appears that they neglected the duty which they owed to the proprietors of properly examining and auditing the accounts of the court of directors, for without examination of the books, vouchers, and documents relating to such accounts, they signed them as correct when, in fact, the accounts were fallacious, and concealed the real financial state of the bank at the time. The auditors were in a situation to know the falsehood of that which they signed as correct, but neglected to avail themselves of the means of knowledge within their power. Now comes the question as to the criminal responsibility of the directors and other officers of the corporation. Upon this point no doubt can be entertained. It must be remembered that the Royal British Bank was a public company, incorporated by charter or letters patent from the crown, under the provisions of the statute to regulate joint-stock banks in England, for the purpose of carrying on the business of banking—a business well known to the law, forming, in fact, a part of the “Law Merchant” of which our courts take notice, and in the right conduct of which business, at least by an incorporated public company with transferable shares, which, subject to the provisions in the deed, might be freely bought and sold in the market, I think it may be said the public have an interest. The management of the business of such a company is, in truth, a matter of general and public concern. Again, certain duties are imposed on the company, its directors and other officers, by the act of Parliament and the charter granted under the act; and the provisions of the deed of constitution of the company which are specified in the act, together with such others as to Her Majesty shall seem fit, are required by the act to be set forth in the letters patent. Well, then it is laid down that a corporation may be indicted for a nonfeasance in not carrying out the provisions, either of their constituting statute or their charter, or for a misfeasance consisting of an offence at common law, not being treasonable, felonious, or attended with violence; or for an offence against a statute, or against a prescriptive or chartered duty; and where the corporation may be indicted the individuals who commit the offence may be indicted likewise (see *Grant on Corporations*, p. 284; and see *Reg. v. Scott*, 3 Q. B., 547; *Reg. v. Great North of England Railway Company*; 9 Q. B., 315; “*Mayor of Lyme Regis v. Henley*, 2 Cl. and Fin., 331; and *Rex v. Brizac and another*, 4 East, 164). If a statute forbids the doing a thing, the doing it wilfully,



although without any corrupt motive, is indictable (see *Rex v. Sainsbury*, 4 T. R., 457); and if a statute enjoin an act to be done, without pointing out any mode of punishment in case of default, an indictment will lie for disobeying the injunction of the legislature (*Rex v. Davis*, Say., 133). And lastly, it is clear that an officer may subject himself to a criminal prosecution for breach of a public duty (see *Bryce v. Belcher*, 4 C. B., 868). I am aware that where a public act regulates rights which are merely private, an indictment will not lie for the infringement of those rights. But I consider that an incorporated public banking company is a corporation of a public character, and that the directors of a company are public officers, holding their office under the Queen's letters patent or derivatively from such authority; and any infringement of the act of Parliament, or charter founded on the act, and under which such a company is established, affects the public generally, inasmuch as any of the public may buy shares in the company. The directors, therefore, of such a company ought to be, and I think it will be found that they are, amenable to the law for their conduct as directors, and obnoxious to punishment for not faithfully discharging their duty. It may, however, perhaps, be contended that, although the act to regulate joint-stock banks directs that the deed of the company is to be prepared according to a form to be approved by the Board of Trade, and, in addition to any other provisions which may be contained therein, shall contain specific provisions for the purposes specified in the act, still there are no vindicatory enactments with reference to those provisions, and the only prohibitory enactment in the statute is that contained in the 5th section, which provides, that it shall not be lawful for the company to commence business until the deed has been duly executed and all the shares subscribed for, and at least half the amount paid up, &c. I think this may easily be accounted for. It might be questionable whether a violation of a provision as to the time of commencing business, though contrary to the terms of the charter, would *per se* be illegal or punishable, unless made so by act of Parliament. There is no doubt it was a very prudent condition, requiring half the amount of the capital to be paid up before commencing business; still it would be difficult to say that the breach of such a condition, without showing a corrupt motive, would be indictable, independently of legislative enactment. But, with respect to the provisions which the statute requires to be set forth in the letters patent, it seems by implication to enjoin a compliance with those provisions; and, whether that be so or not, I think that an infringement by the directors or any of the other public officers of the corporation, where such infringement did or might operate to the prejudice of such persons as purchased or might wish to purchase shares in the company, would be to the nuisance of the community at large, and therefore indictable at common law. In conclusion, let me observe that while public confidence in the directors and officers of public joint-stock banks is essential to the stability of such establishments, on the other hand, one cannot contemplate the mischief, misery, and ruin which is produced by the sudden stoppage of a bank, without being sensible that it is equally essential that the directors and other public officers should ever remember that public confidence can only be insured by prudent management on their part, and that they should feel that criminal responsibility and severe punishment will attach to any gross violation of the provisions of the charter of their bank, and that the law is strong enough to reach such offences. It has been remarked that, if perseverance in wrong often appertains to individuals, it much more frequently appertains to public bodies, in which the disgrace of error, or even criminality of conduct, belongs to so many that no one is ashamed of the part which belongs to himself. I think



that the members of the governing body of the Royal British Bank must have reposed too much on a delusive belief that responsibility becomes infinitesimal by division. For the reasons which I have given, I feel it to be a duty incumbent on the Court to direct that the proceedings under the bankruptcy be forthwith brought to the special notice of Her Majesty's Government in the way which I have already pointed out.

Mr. Linklater—Sir, on the part of the assignees, I am desired to express the deep sense of the obligation they feel for the very prompt manner in which your Honour has been pleased to prepare your report, and it is to be hoped that its effect will insure punishment for those who have entailed so much misery to thousands.

Mr. Freshfield—Sir, on the part of the gentleman whose examination will be forwarded to the Board of Trade (Mr. Stapleton), I may perhaps be allowed to say two words. I have only had five minutes' notice to attend here to hear your Honour deliver judgment, or I should have communicated with Mr. Stapleton, who wished to make some observations. I have merely to observe that his examination has been confined to questions that have been asked him. He desired to give as full and true answers as possible, but the answers of the questions do not convey a correct representation of his conduct as a director in this bank; and that conduct would only have been elicited by others being examined who were in the bank long antecedent to his connection with it—officers of the bank who were in it from its commencement, who had the power of making communication to him; and without their examination, as the matter now stands, it does not convey a correct representation of his conduct. He would have wished personally to explain that and much more, but he is not here to-day, and therefore has not the opportunity.

The Commissioner—I have already said I do not think it my duty to select any one in particular.

Mr. Freshfield—I am aware of that, sir; but he would have wished to have been present to add that to his examination.

Mr. Linklater—The less Mr. Stapleton provokes discussion in reference to his conduct the better.

Mr. Freshfield—Mr. Stapleton is afraid of no discussion; and if more had been elicited, the more clear would his conduct in the matter have appeared.

Mr. Linklater—He will have an opportunity of saying that hereafter.

*Court of Bankruptcy, Basinghall-street, May 22.—(Before Mr. Commissioner HOLROYD.)*

IN RE THE ROYAL BRITISH BANK.

In consequence of some supposed objection on the part of Mr. Stapleton, one of the recently examined directors, with reference to the signing of his examination, to-day was specially appointed for the purpose of hearing any application that might be made to the Court in the matter.

Mr. Linklater appeared for the assignees.

Mr. Huddleston, who appeared for Mr. Stapleton, said that with respect to the examination that gentleman had been called upon so sign, it was his wish to add an explanation as to one or two of the answers he had given. Mr. Linklater had seen the statement in question, and there could be no possible objection to its being added to the examination.

Mr. Linklater said he saw no objection to it. The statement was as follows:—



"In explanation of the questions put to me in page 125 of my first examination, I say, with reference to my belief as to the position of the bank in August, 1856, I desire to add that, after hearing of the run on the bank in that month, I proposed to my connection, Mr. A. Matheson, to take shares in the bank, with the view of his becoming responsible to, and thereby satisfying the creditors that they would be paid in full, and also with the object of enabling the directors to dispose of the business. I did this under the conviction that there were ample means of satisfying all the creditors if time were afforded, and that the interest of the shareholders would be promoted by such an arrangement. I proposed to Mr. Matheson that he should make a previous investigation of the bank's affairs, with the aid of any professional accountant he might select. Further, I wish to add, with reference to the inquiry (page 70 of my second examination), made as to the sum voted to the directors for their remuneration, that I received of that sum for my attendance £80, and that was the only sum I ever received from the bank, for my attendance or otherwise, except dividends on my shares, during a period of ten months. I paid in July, 1855, £1,000 for 20 shares in the bank, the only shares I ever held, and of which I never sold one. I received a dividend on the shares of about £50. I kept a banking account at the bank, on which £80 odd was due to me at the stoppage, and I have since paid £2,500 towards satisfying the liabilities. I have thus received about £130 and have already lost upwards of £3,500."

The Commissioner—There can be no objection to that being added.

Mr. Huddleston—Mr. Stapleton is anxious to make that addition in explanation of some of the answers which fell from him.

The Commissioner—There can be no objection to it.

Mr. Huddleston—There is another application which I have to make, which I think your honour will feel the justice of. Mr. Stapleton, of course, is in the position of a person against whom the ordinary proceedings are taken in bankruptcy; he has been anxious that every document and every paper over which he had control in any manner should be given up to those who have been appointed to investigate the affairs of the bank, and he has given the most unreserved directions to Mr. Paddison for that purpose. His application now is, that he may be permitted, under such regulations as it may be thought proper to give, to have access to those papers and documents for the purpose of assisting him in the investigation of the affairs of the bank as they now stand, and also for the purpose of explaining, if his conduct should be inquired into hereafter, as has been threatened, and I trust that your honour will think that this is a reasonable application on his part, and that you will grant him what he asks.

Mr. Linklater put it to the court whether or not any direction upon the subject should come from another quarter. There was no doubt but that when the law officers of the Crown were applied to they would consider it reasonable and right that Mr. Stapleton should have a copy of his examination.

The Commissioner—I did not understand that that was asked.

Mr. Huddleston—I took it for granted that we shall be allowed to have a copy of the examination; but my application is to be allowed to have access to all books and papers.

After some discussion the application was granted, and Mr. Stapleton who was present, signed his examination.



## Banking and Commercial Law.

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### THE PROPOSED AMENDMENTS IN THE LAW RELATING TO BREACHES OF TRUST BY THE DIRECTORS OF JOINT-STOCK COMPANIES, AND TO THE WINDING UP OF JOINT-STOCK COMPANIES.

THE first of these measures deals with fraudulent breaches of trust in general; but it is proposed to confine the attention in this paper to the breaches of trust committed by the directors of joint-stock companies. The Attorney-General, in his remarks on this subject, when introducing the proposed law, said :—

“There were other breaches of trust of a much more criminal nature, because more extensive in their consequences, and yet committed by persons who did not exactly stand in the relation of trustee. It was necessary, therefore, to introduce some peculiar law in order to meet that delinquency. He meant persons who in the prosecution of those great undertakings, which were peculiar to this country, had formed companies and placed themselves in the situation of directors or managers of those companies. He had introduced into the bill clauses intended to deal with delinquencies which, he was sorry to say, were frequent and gigantic. Of course, when persons fraudulently appropriated the money of others, there could be no doubt that they ought to be held liable to punishment; but these persons had not recourse to anything so clumsy and so common as directly taking the money of others. Their criminal acts were effected by means of false accounts and false entries. He had, therefore, introduced a series of clauses, which rendered criminal the presenting of false accounts and making false entries, disguising transactions by vague words; and he had introduced one or two clauses to cover that extensive system of fraud committed by false representations, accompanied with acts to give colour to them, such as the fraudulent statement of the affairs of the company, by paying dividends out of capital.”

The following are those sections of the bill to punish frauds of trustees which relate to public companies :—

Sect. 5. Whoever, being a director, &c., shall fraudulently take or apply to his own use any of the money, &c., shall be guilty of a misdemeanour.

6. Whosoever, being a director, &c., shall receive any money, &c., and shall wilfully omit to make, or cause to be made, a full and true entry thereof, in the books, &c., shall be guilty of a misdemeanour.



7. If any director, manager, public officer or member of any body corporate or public company, shall wilfully destroy, alter, mutilate, or falsify any of the books, papers, writings, or securities belonging to the body corporate or public company of which he is a director, manager, public officer or member, or make or be privy to the making of any false or fraudulent entry, or any fraudulent omission, in any book of account or other document, with intent to defraud the shareholders, creditors, or other persons interested in the property or effects of such body corporate or public company, every director [we presume the words manager, public officer, &c., are omitted by mistake] so offending shall be deemed guilty of a misdemeanour.

8. Whosoever, being a director, manager, or public officer of any body corporate or public company, shall wilfully make, or circulate, or publish, or concur in wilfully making, or circulating or publishing any written statement or account which he shall know to be false in any material particular, with intent to deceive or defraud any member, shareholder, or creditor of any such body corporate or public company, or with intent to induce any person to become a shareholder or partner therein, or to intrust or advance any money or property to such body corporate or public company, or to enter into any security for the benefit thereof, shall be guilty of a misdemeanour.

9. Every person found guilty of an offence under this act shall be liable, at the discretion of the Court, to be kept in penal servitude, for any term not exceeding seven years, or to suffer such other punishment by fine or imprisonment, or by both, as the Court shall award.

We cannot find in the printed copy of the bill that clause which the Attorney-General refers to in his speech, relating to the payment of dividends out of capital.

The following is a short statement of the clauses of the bill to amend the law of joint-stock companies:—

1. In all cases where a winding-up order has or shall be made, the judge may, by advertisement, call meetings of creditors to appoint persons to represent them; and after the issuing of such advertisement the creditors shall be deemed to be parties to the winding up. In case the company is bankrupt also, the assignees are, without any fresh election, to be deemed parties to the winding-up.

2. Where the company is bankrupt, and there is no winding-up order, the assignees may compromise with the shareholders, so as to bind all the creditors.

3. The creditors are to be bound.



6. Creditors' rights against third persons not to be prejudiced.

7. Creditors not to sue without leave of the judge.

9. Creditors may attend proceedings and inspect books.

We are not able in our present number to enter into the merits of these amendments of the law ; but, undoubtedly, they are improvements on the existing state of things, and if they do not go far enough, they, perhaps, go as far as the public now desire.

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## Legal Miscellany.

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(Before Mr. Commissioner FANE).—April 23rd.

IN RE W. SMITH.

THE bankrupt was a banker of Hemel Hempstead. This was the certificate meeting.

An adjournment had been ordered pending an action brought by a depositor against the executors of Mr. Whittingstall, Mr. Smith's late partner. That action has been stayed by an order of *nisi prius*, with a view to bring about a general settlement between the assignees and the executors of Mr. Whittingstall.

Mr. Linklater, for the assignees, asked for a further adjournment until the result of the proposed arrangement was known, as it might seriously affect the interest of creditors, and also the conduct of the bankrupt in reference to the question of whether the bankrupt was justified in carrying on the banking-house after the decease of Mr. Whittingstall.

Mr. Lawrence, for the executors of Mr. Whittingstall, concurred in the desirability of an adjournment.

Mr. Bagley, for the bankrupt, assented. His client was anxious to afford the assignees every reasonable time for investigating the propriety of his conduct.

His Honour ordered an adjournment to Saturday, the 27th of June, at 11.

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Court of Bankruptcy, Basinghall-street, May 6th.—(Before Mr. Commissioner GOULBOURN.)

IN RE GEORGE CONSTANTINE FRANGHIADI.

THE bankrupt is described as a merchant, of Gresham-house, Old Broad-street, trading under the style or firm of C. Franghiadi and Sons. His accounts commence January, 1853, with a capital of £12,500, and close March 14th, 1857, with the following items:—Dr., unsecured creditors, £91,498; creditors holding security, £13,768; liabilities, £82,939, of which it is expected £25,260 will come against the estate. Or., cash, £3,656; good debtors, £4,242; other debtors, £10,437, as estimated to realise £1,429; property, £14,748; property held by creditors, £15,219; amount due from Franghiadi and Valenti, £23,245; amount due by M. Valenti, £3,412. The profits of the bankrupt are put down at £13,978; the losses at £40,135; the trade expenses at £20,584; and the drawings at £5,055. The liabilities



£82,939, include to the Bank of London, £13,933; the London Discount Company, £12,865; the London Joint Stock Bank, £8,403; the National Discount Company, £14,993; and the Royal Bank of Liverpool, £4,825. These liabilities arise almost exclusively from the bankrupt's draughts upon or indorsements of the bills of Greek and other foreign houses.

Subjoined is an extract of the leading points of the report of the official assignee (Mr. Pennell).—"The bankrupt, who is a Greek, commenced business at Liverpool in January, 1853, with a *bond fide* capital of £12,500, consisting of cash and goods placed to the credit of the Liverpool house by the bankrupt's father. He appears to have been also connected in partnership with mercantile houses at Trieste and Alexandria. Of the unsecured debts of £91,498, the sum of £41,924 consists of bills drawn by the houses in Alexandria and Trieste upon, and accepted by, the house in London. It is expected that of the liabilities, £82,939, not more than £25,260 will become proveable against the estate; this calculation is, however, to some extent conjectural. The trade expenses of £20,584, consist of travelling expenses, stationery, and stamps, £13,269, interest, £8,008; insurance, £1,306. These entries have been regularly passed through the books, and, although the total is of such serious amount, he sees no reason to doubt that it has been expended. The losses, £40,136, are £15,803 on merchandise, £5,668 by freights, and £14,476 by bad debts. The bankrupt's trading consisted in importing Indian corn, wheat, wool, cotton, rice, &c., and upon all such imports a commission of 10 per cent. was charged, that forming part of the profits, and making a charge on the merchandise. The bankrupt's books have been well kept, and corroborate his balance-sheet."

This was the examination meeting.

Mr. Peachey, for the trade assignees, and Mr. Pennell, the official assignee, concurred in opinion that the accounts were such as the bankrupt might pass upon.

Mr. Ohidley, for Mr. Lizard, of Paris, the petitioning creditor, asked for an adjournment to allow time for inquiry. The bankrupt suspended payment on the 20th of February. Twenty-two days after that time he was adjudicated bankrupt. His accounts, as submitted to the creditors on February 22nd, were widely different from those now furnished. He might instance the unsecured creditors being then returned at £12,754, whereas they were now returned at £91,498.

His Honour said that both the official and trade assignees being satisfied, the bankrupt might pass, all questions being reserved for the certificate meeting.

## Reports of Joint-Stock Banks.

### MERCANTILE BANK OF INDIA, LONDON, AND CHINA.

THE annual general meeting of the shareholders of this bank was held at Bombay on the 6th of April, Mr. T. Stenhouse in the chair, when the following report and accounts were adopted.

The directors have pleasure in again laying before the proprietors the usual half-yearly statement of the bank's affairs to 31st December last. It will be observed that the amount of profit earned during this period, after deducting all charges, is Rs. 3,14,949-6-10, which after payment of a dividend at the rate of 8 per cent. per annum, leaves a balance of



Rs. 8,14,479-8-10 to be added to reserve fund account. The reserve fund now amounts to Rs. 4,02,197-11-6.

Bombay, 24th March, 1857. By order of the Board,  
GEORGE P. ROBINSON, Manager.

*General Balance-sheet for the Half-year ending 31st December, 1856.*

**LIABILITIES.**

Proprietors' capital	...	...	...	...	Rs. 50,00,000	0	0
Current accounts, fixed deposits, drafts in circulation, &c.	...	...	...	...	1,50,78,831	2	7
Reserve fund	...	...	...	...	2,87,218	4	8
Profit and loss, profit for the half-year ending 31st December, 1856	...	...	...	...	3,14,949	6	10
					<b>Rs. 2,06,80,998</b>	<b>14</b>	<b>1</b>

**ASSETS.**

Bills of exchange, bills discounted, and loans	...	...	...	...	Rs. 1,52,87,247	14	5
Bullion on hand and in transmission	...	...	...	...	31,20,962	2	6
Dead stock	...	...	...	...	38,013	11	2
Cash on hand and at bankers'	...	...	...	...	22,34,775	2	0
					<b>Rs. 2,06,80,998</b>	<b>14</b>	<b>1</b>

*Profit and Loss Account.*

Feb. 19, 1857.							
To dividend on 19,997 shares (3 shares being held in fractional parts) at 8 per cent. per annum	...	...	...	...	Rs. 1,99,970	0	0
To balance to reserve fund account	...	...	...	...	1,14,979	6	10
					<b>Rs. 3,14,949</b>	<b>6</b>	<b>10</b>

Dec. 31, 1856.							
By profit as above after deducting all charges	...	...	...	...	Rs. 3,14,949	6	10

*Reserve Fund.*

February 19, 1857.							
To balance	...	...	...	...	Rs. 4,02,197	11	6
Dec. 31, 1856.							
By balance	...	...	...	...	Rs. 2,87,218	4	8
Feb. 19, 1857.							
By balance from profit and loss account	...	...	...	...	1,14,979	6	10
					<b>Rs. 4,02,197</b>	<b>11</b>	<b>6</b>
Feb. 19, 1857.							
By Balance	...	...	...	...	Rs. 4,02,197	11	6



WESTERN BANK OF LONDON.

The first general meeting of the shareholders of this bank was held at the office in Hanover-square, on the 6th of May, when the chair was taken by Mr. J. A. Roebuck, M.P., governor of the bank.

The directors, in accordance with the provisions of the charter, now for the first time meet the shareholders of the bank, and submit to them a general statement of their affairs, ending the 30th April last. The directors will be prepared to submit to the shareholders a detailed statement of their profit and loss account after the 30th June, at the end of their financial year. This bank was established because it was believed that the western part of the metropolis needed and could support an independent joint-stock bank. The experience of the past year has proved the truth of this anticipation, for in spite of unprecedented circumstances arising from the excited and disturbed state of mind in the mercantile public, the bank has steadily advanced, has weekly increased the number of its customers, and by the cautious mode of its proceeding, has strengthened the public confidence in its stability and eventual success. The result has, in a great measure, been due to the labours and experience of the manager, whose valuable services the directors were so fortunate as to secure, and the directors have much pleasure in thus publicly stating their estimate of his aid and conduct. The first auditors appointed under the deed of settlement are Mr. John Hill Williams, actuary of the English and Scottish Life Assurance Company, and Mr. John Nettleton, secretary to the Legal and General Life Assurance Company. These gentlemen, although the time has not yet arrived for a complete audit, have examined the accounts of the bank up to the 30th of April, in order that the directors might be able to lay before the shareholders a satisfactory statement of the actual affairs of the bank.

*Balance-sheet, April 30, 1857.*

LIABILITIES.

<i>Dr.</i>			
To proprietors' capital, £50 paid on 4,000 shares	...	£200,000	0 0
Amount due by the bank on current accounts, deposit receipts, and interest accrued	... ..	173,812	2 8
Balance (being gross profit)	... ..	12,658	1 11
		<u>£386,470</u>	<u>4 7</u>

ASSETS.

<i>Cr.</i>			
By amount invested in Government stock, Exchequer bills and bonds	... ..	£100,000	0 0
Bills discounted, loans on securities, debenture bonds, &c.	... ..	198,656	5 11
Freehold premises in Hanover-square, and premises in Brook-street unsold, valued at upwards of £6,000...		19,700	0 0
Alteration of buildings, fittings for offices, and house furniture to this date	... ..	8,595	16 10
Preliminary expenses	... ..	13,333	11 8
Cash in till and at Bank of London	... ..	46,184	10 2
		<u>£386,470</u>	<u>4 7</u>



*Profit and Loss Account.**Dr.*

To interest paid and due on current and deposit accounts to 30th April	...	...	...	...	...	£2,845	6	5
Rebate on bills not due	...	...	...	...	...	1,095	19	10
Charges, including salaries, advertising, stationery, and all current expenses to this date, and ample provision for all bad and doubtful debts, viz., £366 13s.	...	...	...	...	...	3,878	1	6
Balance	...	...	...	...	...	5,998	13	9
							<hr/>	
							£13,818	
							1	
							6	
							<hr/>	

*Cr.*

By balance brought down	...	...	...	...	...	£12,658	1	11
Interest due to the bank on Exchequer bonds, bills, railway debentures, &c., to 30th April	...	...	...	...	...	1,159	19	7
							<hr/>	
							£13,818	
							1	
							6	
							<hr/>	

The Chairman, in opening the business of the meeting, observed that though he could not say that he was unaccustomed to public speaking (a laugh), he certainly felt some anxiety on the present occasion, as he was in a novel position, this being the first time he had had the honour of speaking to a meeting of gentlemen who constituted what he might term the constituency of a banking establishment. However, he would do as he always had done, speak without regard to anything but straightforwardness and truth. In respect to joint-stock banks, he would lay down two general principles, and they would see presently with what view he laid them down. The first was that a joint-stock bank was useful, because it enabled a number of persons by combination to acquire the power which capital gave; and the second was that, whilst a joint-stock company enjoyed that power, it made it a matter of advantage to the public. There were a number of advantages attached to joint-stock banks, one of which was that their proceedings were open to public scrutiny. The private banker sat in his parlour, like a spider in the middle of his web, when he might be carrying on a nefarious system of plunder without the public being the least suspicious that anything was wrong until the bank broke. That could not be the case with a joint-stock bank.

*A Shareholder—The Royal British?*

The Chairman would explain himself. He considered that what had occurred in the case of the British Bank was attributable to the shortcomings of the shareholders themselves. A joint-stock bank, he maintained, could not come to mischief without collusion between the directors and the manager. So long as the shareholders used the position in which they were placed by the law, they were safe. It was their duty as well as their interest to look with the utmost scrutiny upon the conduct of the directors. If they (the shareholders) did their duty, they made the directors do theirs, but if they neglected it, they removed the sense of responsibility; and almost any man would become negligent in the execution of his duty if he found that no one paid any attention to what he did. If the shareholders of the British Bank had exercised that scrutiny and surveillance it was their duty to exercise, they would not have been in their present position. He did not believe there was any great mystery in banking. It only ap-



peared to him to require that a man should have good sound common sense, a capacity for business, and sterling integrity, and he (the chairman) had been placed in his present position because it was considered that he had those qualifications—(cheers)—for he did not shrink from that bold assertion of his character which he thought that character demanded. (Hear.) The Western Bank of London was established, as the report stated, because it was imagined that the western part of the metropolis would be able to support an independent bank of its own, and make it a matter of successful commercial enterprise. But in the first instance they were surrounded by peculiar difficulties. (Hear, hear.) First, there were difficulties that attached to the establishment of any bank at any time, but there were also difficulties peculiar to this case. They were opposed by the jealousy of private banks, and of gentlemen at the east end, who thought it was an undue interference with their interests that any set of gentlemen at the west-end should attempt to get up a bank at all. (A laugh.) But in addition to this, great difficulties were thrown in their way by circumstances to which he must allude, however painful it might be to refer to them. It had happened lately that gentlemen in high positions—men who had previously been held in respect for their reputed integrity—had turned out to be arrant rogues. (Hear, hear.) Anything more disgraceful to English society than the fact that men who had been the conductors of banks, both public and private, should have committed the offences for which they were now suffering imprisonment he could not conceive. (Great applause.) This threw in their way great difficulties. And because he (the honourable chairman) himself considered that the difficulties were great, he had taken upon himself a position that would render him liable to imputations if he did not take every care in his power to protect the interests of his constituents. Feeling this, he went himself to various banks at the east end of the town to see what precautions they took to avoid such consequences as had occurred in the cases referred to. When he had examined the means they used, he came to the board table of that establishment, and suggested that they should be adopted. He had told them that no harm could come to the shareholders without collusion between the directors and the manager; and he believed that any one industrious, clear-headed man in the direction would be able to watch over the interests of the shareholders, so that no harm could come to them. (Hear hear.) The precautions which he had suggested, and which had been approved by his brother directors and adopted, were as follow:—First, that a statement of every single farthing of expenditure and receipts should be read over to the directors every week. (Hear, hear.) Secondly, that any bill discounted for a director should be read to the directors every week; and not only so, but in respect to the directors, all transactions between them and the bank must be read over every week. Thus, it could not be that any harm could come to the shareholders without the collusion of every one at that table. (Great applause.) He believed they had taken precautions against every possible evil. The hon. chairman then proceeded to trace the history of the undertaking, in doing which, he observed, he should have to confess faults. One of the items in the account before them was for preliminary expense; and, he must confess, that if he had known as much as he now knew, one year ago, that sum could not have been so large. They had paid £3,500 for the solicitor's bill, and £6,000 to the promoters of the bank. They were told that the promoters had been six months at work, that they had been liable for the whole expenses, and that much more than the sum mentioned had been paid by other banks. But he was now of opinion that it far exceeded what the promoters ought to have received. The honourable chairman then



referred to a law which he had a part in altering, the principle of which, as originally proposed, was that one-fourth of the directors should go out every year, and should not be eligible for re-election. The result of that would be, that as soon as a man had obtained the education which fitted him for his position (for, though he said banking was no mystery, yet there was something to learn in it), he was turned out. (Hear, hear.) If he were now put into the direction of a commencing bank, with the advantage of the experience he had had in this, he should not allow the payment of such an amount to the promoters. (Hear, hear.) They had suffered through his ignorance, and he threw himself on them, frankly stating that, in this matter, he had erred. (Hear.) The hon. chairman then read the names of the promoters from a letter signed by themselves. They were—Messrs. W. O. Gillan, J. R. Winckworth, H. T. Bleckley, B. Colman, J. S. Rymer, and T. Crosby. He believed that was the only mistake they had made. Their object had not been so much to make large profits as to pursue a cautious mode of business; to consider that they were the trustees of the shareholders' money, and ought to endeavour not so much to swell the dividends, as to act so that the shareholders could not lose. (Hear.) There was a considerable sum invested in Government stock. If they had kept that sum in hand, they might have made more money, but it would have been a dangerous experiment, for they would have been divested of the security that they could not come to harm. (Great applause.) They had undertaken nothing but real banking business. (Hear.) They had not done as certain other banks had done, entered into speculations which might be very profitable, or might fail, but had confined themselves to a steady going banking business. (Applause.) There was one matter on which there had been some misapprehension. They had all read, no doubt, a case of Rankin v. Payne, into which had been dragged the name of the bank, and of an honourable gentleman at that table. All men were liable to have their names dragged into such matters, for parties, when they quarrelled, generally cast mud about whoever they could. (Hear, hear.) One of the gentlemen at the board was called upon by the person named Rankin; now, he could not help that. (A laugh.) He could not prevent Rankin from calling upon him, nor could he know for what purpose the visit was made. (Hear.) Rankin laid a claim of £50 for having found a director, though the fact was that, when solicited by Rankin, that gentleman had refused to become a director, though afterwards he had consented, on being invited from another quarter. He had one other thing to tell them. Though the directors had taken every precaution against the evils he alluded to, every precaution had not been taken. He invited the shareholders to take one which rested entirely with them; and if they shrunk from their duty, let them not lay blame at his door. (Hear, hear.) Auditors had been appointed by the directors, and he now proposed that two auditors should be appointed on the part of the shareholders. They should have the same facilities for making themselves acquainted with the facts as the directors and auditors had. (Great applause.) After some further observations, the chairman concluded by proposing the adoption of the report.

Mr. Rymer explained that, though his name appeared as one of the promoters, he was not one of them, and received no share of the promoters' money. He had signed the paper which had been produced by the chairman, at the request of the promoters, and solely to take his share of the responsibility. As for his bill as solicitor, he was aware that lawyers' bills always appeared excessive, but he had offered to refer it to the taxing-master of the Court of Chancery or to Mr. Alderman Wire, and he was



now willing to submit to a committee of shareholders, if they would favour him by appointing one. He had paid £1,500 or £2,000 fees to the Board of Trade for the charter, and employed a number of extra clerks at his own expense; so that, of the £3,500 he had received, more than £2,500 were expenses out of pocket.

After a very desultory discussion of this question, the adoption of the report was carried.

A second discussion followed, on the number of directors to be elected. Ultimately it was resolved to fill in only three of the four vacancies. Messrs. Gibbes and Simpson were re-elected, and the name of Mr. Harman added to the list.

Mr. Gibbes, in returning thanks for this honour, referred to his year's experience of the bank, and concurred in the views expressed by the chairman.

Much discussion arose on a proposition to appoint a committee on the solicitor's bill, as suggested by Mr. Rymer himself, but it ultimately fell to the ground.

The officers were re-elected, Mr. Clarke and Mr. Jay appointed auditors on behalf of the shareholders, and, after a vote of thanks to the chairman, the meeting separated.

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#### UNITY BANK.

THE first annual meeting of the shareholders in this bank was held at the offices in Cannon-street, on the 11th of May. Mr. J. J. Mechi (Sheriff of London and Middlesex) presiding.

Mr. George Chambers (the manager) read the advertisement convening the meeting, and the report, which was as follows :—

The directors have great pleasure in meeting the shareholders, and in submitting for approval the following balance-sheet of assets and liabilities. The difficulty attendant upon introducing the principle of mutuality into the business of banking, was one which could not be accomplished without considerable trouble, delay, and expense. All arrangements were completed to begin business on the 1st of January, 1856, when the Board of Trade, deeming it necessary to consult the law officers of the Crown as to the legality of the new principle of mutuality without responsibility on the part of the depositors, delayed the grant of the Charter until the 1st of May,—thus entailing four months' establishment expenses on the bank before it could commence business. Great outlay was also incurred by the establishment of the following branches :—Leicester-square, Watford, St. Alban's, Hertford, Ware, Brighton, and Pimlico, and the preparation for branches at Aldgate, Holborn, Regent Circus, and Exeter. Experience having proved that the success of these branches was doubtful, the directors having determined to close at Watford, St. Alban's, Ware, and Pimlico, at Midsummer next. They have also declined branch banks which had been prepared at Aldgate, Holborn, Regent Circus, and Exeter. These circumstances have largely increased the amount which appears under the head of preliminary expenses. The Charter empowers the directors to diffuse the preliminary expenses over a period of twenty years, the average charge on the profits of each year will not therefore exceed £1,500. The current expenses have been considerably reduced, those for the six months ending 30th April, 1857, being £1,762 less than those of the preceding half-year. (Hear, hear.) At the urgent request of a large body of the shareholders, it was determined by the board that the connection of Mr. Thomas H. Baylis with the bank should cease. (Hear, hear.) Negotiations entered into for that purpose



were successful. Notwithstanding the recent failures and irregularities of two metropolitan joint-stock banks, with the disgraceful exposures in connection with the failure of a private bank, which shook the confidence of the public in all such institutions, this bank, although suffering in common with others from those causes, has taken root in the commercial world. It has opened upwards of 1,400 accounts, discounted bills to the amount of £1,500,000, on which a loss has accrued of only £1,100, and after payment of current expenses, interest on deposit and current accounts, and making deduction for bad and doubtful debts, has realised a net profit of £2,415 4s. 10d. It is the opinion of the directors that it would at present be undesirable to diminish the funds of the company by the payment of a dividend, but as the balance admits of 3 per cent. to the shareholders upon payments made by them up to the 1st May, 1856, it remains for the shareholders, having all the facts before them, to determine how the surplus shall be disposed of. Friendly communications have been established with most of the leading banking firms on the Continent and India, and arrangements are in progress for the appointment of agencies in the chief towns of Canada and the United States, for the transaction of business, and for the granting of letters of credit. At Birmingham, Manchester, and Southampton, agents have been appointed to receive and transmit cash to the head office on reasonable terms, and the directors have it in contemplation to open similar agencies in other large mercantile districts. The directors suggest that the future half-yearly meetings of the bank should be held in the months of January and July, and that the books should be balanced at the usual periods, in conformity with the practice of similar establishments. The directors feel it their duty to express their unanimous conviction that this bank will succeed, and are anxious to impress upon the minds of the shareholders the facts, that the business of banking is profitable, and that this bank is ably and honestly conducted; they therefore confidently urge the shareholders to recommend and expound its peculiar principle of mutuality amongst their friends and connections, so as to ensure its increased and permanent prosperity.

*Balance-sheet of the Unity Joint-Stock Mutual Banking Association,  
30th April, 1857.*

*Dr.*

To shareholders paid-up capital	...	...	...	£150,000	0	0
Amount due to customers on current and other accounts	...	...	...	176,013	18	11
Amount carried to profit and loss account after making provisions for bad and doubtful debts, and payment of interest on customers' balances	...	...	...	15,334	12	8
				<u>£341,348</u>	<u>11</u>	<u>7</u>

*Cr.*

By preliminary expenses :—						
Advertising and newspapers	...	...	£4,276	13	1	
Books	...	...	38	0	9	
Commission on shares and drafts	...	...	1,870	17	9	
Directors' fees	...	...	1,077	6	0	
House expenses and messengers' wages	...	...	221	12	3	

Carried forward £



	Brought forward	£							
Incidental expenses ...	£257	11	10						
Opening dinner at London Tavern ...	591	0	6						
						848	12	4	
Postage and carriage of parcels ...						401	11	7	
Rent and taxes ...						2,365	16	9	
Law charges for obtaining charter ...	1,387	8	1						
Fees to the Board of Trade...	1,500	0	0						
						2,887	8	1	
Stationery and printing (including the pamphlet and stamps for powers of attorney)						3,342	9	9	
Travelling expenses ...						519	9	8	
Salaries and extra services	£4,216	3	2						
Gratuity to Mr. Lake ...	500	0	0						
						4,716	3	2	
Telegraphic messages ...						3	1	0	
Loss on Holborn premises ...						96	3	11	
Loss on Regent-street premises ...						217	9	4	
Mr. Thomas A. Baylis (Copyright) ...						6,000	0	0	
						£28,882	15	5	
By investment in bank premises, freehold at Brighton, &c.						25,515	7	3	
Bills discounted, loans to customers, and other securities ...						185,253	9	10	
Current expenses for chief office and seven branches..						12,919	7	10	
Cash on hand at chief office and branches, and at call.						88,777	11	3	
						£341,348	11	7	
<i>Profit and Loss.</i>									
To current expenses for chief office and seven branches ...						£12,919	7	10	
Balance ...						2,415	4	10	
						£15,334	12	8	
By profit, after making provision for bad and doubtful debts, and payment of interest on customers' balances ...						15,334	12	8	
						£15,334	12	8	

The following is the report of the auditors:—

The auditors of the Unity Joint-stock Mutual Banking Association (Messrs. W. Gould and W. S. Austin) in submitting their report to the shareholders, have much pleasure in expressing their satisfaction with the method in which the books and accounts are kept. They feel, moreover, bound to tender their thanks to the manager, accountant, and the gentlemen acting under them, for the alacrity they have shown in affording every facility to them in this investigation. The auditors have not only tested the accuracy of the accounts, but have thoroughly examined, to the best of their ability, the vouchers and securities, and consider them to be quite satisfactory. They find that the whole of the capital of £150,000 was paid into the London and Westminster Bank. These being the subjects essen-



tially involved in such an examination, the auditors feel that this report, however concise, is here technically complete; but in their capacity of shareholders, they venture to add a few observations which may tend to satisfy the shareholders,—the public mind of late having been so much disquieted by the failures and frauds of those in whom confidence had been too unreservedly reposed. The condition of the balance-sheet is, in their opinion, owing to three causes:—First,—The failure of the Royal British Bank, which alarmed the community and created prejudices against all new companies and joint-stock banks. Secondly,—To an unnecessary and indiscreet expenditure in the preliminary outlay, and more especially by the establishment of branch banks in places where it was obvious the small amount of business to be transacted could not compensate for the expenses. Thirdly,—To the supposed but mistaken connection between the bank and the fire and life assurance companies, and the notoriety gained by the latter in the public press in the discussions which led to the resignation of Mr. Baylis. It is the opinion of the auditors that the bank has passed safely through a crisis of its existence imperilled by the above causes, and that nothing is now required but a continuation of its present system of management, and the efforts of the shareholders to entirely restore public confidence and ensure considerable success. A large discount business has been transacted with a beneficial result, the losses having been extremely small. The deposit and current accounts are both of a promising character. The auditors have regarded with jealousy and suspicion loans made to directors, or any monies received by them from the bank, they find, however, that such transactions are of a moderate character, and have been made upon the same principle as those to the customers generally. The auditors, had they met with anything in the accounts which justified their doing so, would have at once availed themselves of the services of a professional accountant. The present audit has cost them so much time and trouble that they propose for the future, with the consent of the board of directors and shareholders, to examine the books once a month, in order to facilitate their labours at the regular half-yearly audit.

The Chairman, who was applauded on rising, said it now became his duty to move the adoption of the report and accounts. Before doing so he must be allowed to state that the directors were anxious freely, readily, and candidly to answer any questions connected with the position of the bank. It had been already stated to the shareholders that the whole of the capital required to be paid up had been received before they commenced business, and the money lodged with the London and Westminster Bank. To prove this, their banker's books was exhibited to the secretary of the Stock Exchange, and forwarded to the Board of Trade, with the application to be allowed to commence business under their charter. Every director had paid up his qualification in full before he took his seat at the board. There were times when it was necessary to be more particular than they would under ordinary circumstances—(hear)—and he begged to state that the transactions of the directors had been of that character that were they all to leave it could not entail one shilling loss on the bank. (Hear.) He must further state that had the directors seen or felt there was any uncertainty as to the bank standing they would at once have called the shareholders together to advise that it should be closed and the money divided. (Applause.) He was not so Utopian as to believe that bankers were different to other men—they knew the temptations to which they were exposed—and he advised the proprietors to watch them very closely. (Applause.) It was an ascertained fact that more than 150 joint-stock banks had failed since 1800, and it would therefore be ridiculous to suppose



that they must not be governed by the same stringent rules as those which appertained to other matters of commerce. He could hardly imagine the enormous amount of injury which had been inflicted upon individuals by the failure of the Royal British Bank. Living as he did, almost in the Unity Bank parlour, he could state that, at the end of the first four months of the existence of this bank they had in deposits £242,000, and had made £9,000 profits up to the day before the Royal British failed. (Hear.) But what took place when the failure became known? Why, upwards of £100,000 were withdrawn in two days. (Hear.) Many of the shareholders rushed about panic struck to offer their shares for sale in the money market at any price, and if he had not personally and on his own responsibility gone into the market to purchase shares (and some of his brother directors had done the same), he believed that the whole of the money which they had in their tills would have been drawn out. (Hear.) He had seen a letter from a shareholder, written on the day of the failure of the Royal British Bank, stating that he had withdrawn his balance from the Unity, that he should go to the offices on the morrow to see how things looked, and then consider what he should do with his shares. (Laughter.) After that failure, too, instead of receiving an increase on their deposits to an extent of £60,000 a month, they got no new deposits at all, and so things went on for several months. There was now, however, a gradual but steady increase of confidence in the bank, and their deposits were again increasing. (Cheers.) He might state that the withdrawal of deposits and diminished profits not only occurred at the parent establishment, but at the Leicester-square and other branch establishments. The change of circumstances rendered it necessary that there should be a total change in the management; and, though they were authorised to increase their capital to £2,000,000, when they found that public confidence was shaken, and there was but little chance of their branches succeeding, the directors thought it better to contract expenses, and come down to the level of public opinion. (Hear, hear.) He must confess he was not disposed to admit or agree in the principle laid down by the auditors with regard to branch banks, but, in common with his brother directors, he bowed to the opinion of others. It was sufficient for him that he should express his opinion that the time would come when banking business must be brought to every man's door. They all knew the large amounts of money which were to be found in the tills of bakers, butchers, and others, who, in some measure, acted as money-changers. There could be no doubt that these sums would be more profitably employed to the advantage of all parties if they were deposited in a bank on the mutual principle. The Scotch people, however, understood these things better than the English. (Hear, and laughter.) The future expenses of the bank would be very moderate—(cheers)—and, instead of £4,000 for advertisements, as shown in the preliminary expenses, that item would probably in future not exceed £250 per annum; the printing, from £3,000, would be reduced to a very small amount; and their law expenses, since the 1st of January last, had not exceeded from £30 to £40. He did not wish the meeting to suppose he was a disbeliever in the value of advertising. (Laughter.) He believed that if a man was not known he must make himself known. (Laughter.) He personally spent £1,000 a year in advertising, and he believed it to be good policy to do so; but in the case of a bank, advertisements might be kept up at a moderate expense. He believed there were 7,000 shareholders in the three Unity institutions, and they might of themselves support a bank. But it was notorious the shareholders had not done their duty, though those in the bank, numbering about 500, were responsible for its prosperity to every shilling they possessed.



(Hear, hear.) They said, "You are young, and we cannot yet trust you;" and they, therefore, vested their money in other institutions, rather than in the Unity Bank. He wished it to be understood there was no concealment in this bank. The clerks were bound to secrecy so far as regarded the business of the customers; but there was no closed book, and every clerk knew what was going on by the directors and every one else, as they adopted the same principle as prevailed in the Bank of England—that those who gave securities and insurances had an interest in watching over the general welfare. (Hear.) Another point to which he would call attention was this—that none of the directors had exercised any patronage or influence in the election of the clerks. He thought this important, as showing their self-denial, lest they should injure the bank by the exercise of patronage. The case stood thus:—Their excellent manager, Mr. Chambers, drew up his reasons for recommending any one to a situation in the bank—and, with one or two exceptions, his recommendations were confirmed. They thought this was due to Mr. Chambers as being responsible for the management of the bank; and he could not let the opportunity pass of expressing the sentiments which he and his co-directors held of the manner in which he had discharged that important and delicate duty. (Hear.) He (Mr. Mechi) had personally spent a large portion of his time, as he had already said, in their bank parlour, and he knew the difficult position in which Mr. Chambers had been placed with regard to the general business. Indeed, a man ought to be made of cast iron to have to say "No" to so many applicants for assistance as the manager was bound to do. The bank had been frequently asked to lend money on inconvertible securities, but to such a system they had always been opposed. He maintained that they ought never to have too many eggs in the same basket. (Hear.) As to the present position of their bank, he did not think it worse than that of many banks, now most prosperous, in their early stages. In looking into Mr. Gilbert's valued work on the progress of banking, he found that in its first year the London and Westminster, with £182,000 deposits, only made £3,542 profits. The first years profits of the Commercial Bank, were £3,619; and the London and County, £2,499. Therefore, he thought they had no reason to despair. If he were not incorrectly informed, one now important institution had held a meeting to consider whether it should not shut up shop, and that, too, in times not near so difficult as those which this bank had had to encounter! and it spoke volumes for the policy of their manager that so large a number of bills had been discounted with interest running from 4½ to 7 per cent. with so small a loss. (Hear.) The board had nothing to conceal—they had acted like honest men; and if he did not feel each member to be so, they would not find in the position he occupied. He begged to move the adoption of the report. (Loud cheers.)

Mr. Cuthbert seconded the motion, and, alluding to the retirement of Mr. T. H. Baylis from the institution, congratulated the proprietors on the event, as, notwithstanding the large amount given to him, he thought the absence of his influence in the management as likely to prove of great advantage to them.

After long discussion, as to whether the proposed interest on the capital paid up prior to the opening of the bank, should be paid up to the 1st of May, 1856; and an amendment having been moved that no interest should for the present be paid, it was resolved that the 3 per cent. should be paid, and the report was adopted.

On the question of the adoption of the auditors' report, a proprietor, referring to a paragraph in that report, asked how much had been advanced to the directors in the aggregate, and the maximum to any one director?



The Chairman replied that, with the exception of those made to himself, he believed £1,500 to £2,000 would cover all the advances to the directors. Personally he required no accommodation, but when he saw how depressed their shares were becoming in the market, and that they had no power under their charter to interfere, he had raised money from the bank upon ample security—security which would have obtained him the money in any part of the metropolis, in order to sustain the credit of the bank—he personally bearing the whole of the responsibility. (Cheers.) In reply to another question, the chairman stated that, after paying their preliminary expenses, they still had between £121,000 and £122,000 of their capital intact, and they had £88,000 in hand to meet any demands which might come upon them. (Cheers.)

Mr. Deputy Bower, as one who had not joined the bank until some time after its establishment, explained that it would be unfair not to give directors, if they had sufficient security to offer, the same accommodation as they would receive at other establishments. He had done more for the bank than they had ever done for him. He had kept a balance at the bank averaging £3,000, and only on one occasion had he asked for discounts amounting to £4,000, on securities which any bank in London would have deemed sufficient. He did not now owe the bank one shilling—(Cheers)—but they could not expect him to keep a large account with their bank if they were not prepared to give him the same accommodation as they would afford to other customers, and which the first-rate establishments of the City would have no hesitation in extending to him. (Cheers.) It would be the vilest of infamy if the directors were allowed more accommodation than would be afforded to other customers, and the manager would be doubly infamous if he allowed advances to the board without sufficient security, for most assuredly he ought to know more of the position and means of the directors than even of their other customers. (Cheers.)

On the motion being made for the re-election of the three retiring directors, Messrs. Mechi, Snape and Garland, it was suggested that the names should be put separately. This being done, Mr. Mechi and Mr. Snape were re-elected amidst loud applause; but on the name of Mr. Garland being proposed, it was objected that he was the architect of the institution, and ought not, therefore, to be on the board, and also that it was desirable to have as few of the directors of the fire or life companies on the board of the bank as possible. Under these circumstances, Mr. Garland at once withdrew his claim for re-election, it being stated, however, by one of the members of the board that during the depression of the shares, Mr. Garland had expended large sums in adding to his own holding, with the view of supporting the market and the credit of the bank.

In reply to a question,

Mr. Chambers stated that he was of opinion that business could be well done between the hours of ten and four; and his experience as a banker showed him that few, if any cheques, were presented before ten. On the failure of the British Bank, however, in order to prevent distrust, he at once gave orders to have the bank opened by nine o'clock, and not to be particular about closing at four, but to meet promptly every cheque presented (cheers); and he was not aware that a delay of five minutes had ever occurred in doing so.

The retiring directors having been re-elected, and a vote of thanks given them for their services,

Mr. Gould and Mr. Austin respectively returned thanks, and stated that they had inspected every bill, voucher, and security in the bank, and could conscientiously lay their hands on their hearts, and declare to the truth of



the balance-sheets; and they hoped this time next year the bank would have assumed that position which they felt it was fully entitled to.

A vote of thanks having been given to the governor and directors for their past services, Mr. Mechi returned thanks, again urged upon the proprietors the necessity of endeavouring to increase the business, as their whole property was liable for the liabilities of the bank, and assured them that the utmost endeavours would be used to put it in a good position, whilst, so long as he was connected with them, nothing but the fullest, most honest and straightforward statement of their affairs, should ever be brought before them.

A vote of thanks was next unanimously passed to the manager.

Mr. Chambers returned thanks for the confidence reposed in him, and referred the shareholders to the difficulties which other banks had undergone in their early years, to show that the Unity was not an exception to the general rule. He did not think they ought to look for large profits in the first, second, or third year. But they had no reason to despond; and he hoped that his future exertions would be such as to secure the success which he was sure the bank deserved, and the continued confidence of the proprietors.

The meeting then separated.

#### NATIONAL PROVINCIAL BANK OF ENGLAND.

THE annual general meeting of the proprietors of this bank was held on the 14th of May, at the offices in Bishopsgate-street, Mr. J. F. Laurie in the chair.

After the usual preliminary proceedings of reading the notice convening the meeting, &c.,

The Chairman said they were met there that day to consider the state of their affairs for the year 1856. Now perhaps the very first thing that would strike the meeting in connection with the year 1856, was the very different aspect which it presented from its immediate predecessor, 1855. They must all recollect the stirring events of that year, when the country was engaged in a dire struggle, by which the foe was ultimately subdued, and the mighty fortress in the East fell. When they looked back at the year 1856, it almost appeared as if a century had elapsed since 1855, so great was the difference in the state of the commercial world. The year 1856 had been a period of uninterrupted peace, and the Government had turned its attention to a course of policy which was most congenial to the feelings of the country, by restricting our establishments to their normal condition, and diminishing to a vast extent the outlay of the previous year. This was, indeed, a different state of things from that which existed in the year 1815, just after the peace, when, as gentlemen would recollect, the sanguine hopes which had been raised of immediate increased prosperity were doomed to be disappointed. It was a happiness to find that in the last instance the period of transition from war to peace had not been overshadowed by commercial distress, for though some interests might have been less prosperous than others, still 1856 had been a year of fair agricultural and commercial prosperity; but there was this one feature which had been remarkable, considering the prosperity which had formerly characterised the progress of the year before this, (and it was very fortunate for those who were bankers), that money had a very high value during the



greater period of the last year. In former days it had always been considered that a high value of money was incompatible with the prosperity of commerce; but it had not been found to be the case, for the agriculturists had obtained good prices for their produce, and other interests were in a fairly prosperous condition. He would not enter into a discussion upon the currency question; but it might not be out of place to mention a striking fact, that money had not been so scarce as it had been useful. Commercial men found such additional means to employ their money at a good profit, that they had been able to pay their bankers a good interest for it. He believed in reality this had been the case; but there had been, on the other hand, the unfortunate and disreputable failures of joint-stock banks, which had almost frightened the isle from its propriety. He yielded to no man in a feeling of indignation against those delinquencies, and he sympathised as sincerely as any man could with the unfortunate shareholders whose property had been so grossly squandered. But while entertaining that indignation, they must not lose sight of the great service which joint-stock banks had been to the country, and it would be ingratitude on the part of the public to ignore the benefit resulting from this improved system of banking. It would be invidious to draw any comparisons between this and any other bank, public or private, but there was one point which he wished to bring before the notice of the meeting, as some gentlemen who were present had not been shareholders in the previous year, and it was this—the great safeguard which this society had established against any improper advantage being taken by the directors, of the character which had disgraced one or two banks which had been brought before the public. In the first place, no director was allowed to transact their own business in this bank; it was consequently impossible for any director to have any advance from the bank in London. There was one exception, however, to that rule, and that exception held in the person of the individual who was then addressing them; and he would tell them why that exception was made to the general rule. Gentlemen were, perhaps, aware that he had disposed of an extensive country bank at Dover to this society; and he thought it was desirable to show his confidence in this institution, not only by precept, but example too, and that he was bound to keep his account with the National Provincial Bank of England, not only by choice, but by compulsion, and he had, therefore, an account with the Dover branch. (Applause.) The transfer was not an unprofitable affair to this company; it was one of those cases in which both parties might be satisfied. He was not called upon to divulge his private affairs, but he might say that at that moment there was rather a handsome balance to the credit of his account—(a laugh).—on the banking transactions for the last year. At the meeting held twelve months ago, the proprietors sanctioned an increase of capital to a considerable amount; and that operation had been carried out in the most successful and satisfactory manner; it had brought considerable profit to this bank, and it had, he believed, resulted in increasing their shareholders in the country, thereby giving a larger number of persons an interest in the permanent prosperity of the bank; and the premiums arising from the transactions had placed a considerable sum to the credit of the general fund, amounting to £25,000. The directors had considered at some length what should be done with this money, and they had determined, subject to the approval of the proprietors, that it should form the nucleus of a building-fund. The officials of the establishment found the present accommodation very inadequate, not only in London, but in the country also, and it was necessary that the directors should have at their disposal the means of improving their premises. Gentlemen would see the importance of this in the



branches where the most valuable documents were kept, and that it was indispensable that all these deeds and documents should have every security which art could devise. The report which he was about to read would speak of the business which had been done last year; and the directors, considering the great prosperity which had attended the bank last year, had thought it their duty to mark their sense of the ability and zeal of their subordinates by giving them a bonus on the amount of their salaries—(cheers)—and that boon had been most gratefully and kindly received. It would be an additional incentive on their part to promote the welfare of the company. (Cheers.)

The hon. gentleman then proceeded to read the following, being the 24th annual report of the directors:—

“The directors experience more than ordinary gratification in presenting the annual report, which they have now to place before the proprietors, exhibiting, as it does, the most gratifying evidence of the increasing prosperity of the establishment. The proprietors will recollect that, at the last annual general meeting, a proposition (submitted by the directors) for an increase of the bank's capital, by the issue of 15,000 shares, of £20 each, was adopted. Of this number of shares 12,500 have been taken up and paid for by existing shareholders, in accordance with the principle of distribution agreed upon, and the remainder of the shares (2,500) have been allotted to customers of the company's branches at £10 premium. These shares also have all been taken up by the allottees. The paid-up capital of the bank now stands at £525,000, and when the remaining call of £5 per share, payable on the 31st of July next, is received, it will amount to £600,000. The premium received upon the 2,500 shares, amounting to £25,000, it is proposed to set apart for the purposes of a building-fund. The expenditure of this sum will be the subject of future report to the proprietors. In briefly glancing at the leading characteristics of the past year, the circumstance which first claims notice is the unconditional acceptance in January, by Russia, of the terms of peace offered by the allied powers. The announcement of peace once more unfettered the springs of enterprise, and imparted a powerful stimulus to the trading and industrial interests. Apprehensions were felt lest a reaction might occur in those branches of trade which expanded and prospered with the demands of war, but the transition from war to peace, as from peace to war, was happily unattended with any commercial disaster. The most interesting and striking feature, however, in the history of 1856, was the existence of a state of great commercial prosperity contemporaneous with severe financial pressure. Notwithstanding that the value of money ruled unusually high, the price of manufactured goods and of every article of general consumption advanced—the operations of trade, both internal and external, were active and upon an extended scale, and the year happily wound up without any adverse change in markets, or serious drawbacks upon the profits realised. To this prosperity of the commercial interests, the condition of agricultural affairs did not form an exception. All descriptions of agricultural produce brought remunerative prices, and, although some damage was sustained during the concluding operations of the harvest, yet in England the principal crops, the directors believe, proved fully an average. The directors are happy to add that, during the past year, a considerable increase has taken place in the deposits of the bank, as well as in its general transactions. This accession of business, combined with the high rate of interest which, with the exception of a short interval, prevailed throughout the year, has enabled the directors to place the following favourable statement of accounts before the meeting:—



Rest or undivided profits at 31st December, 1855, as exhibited at annual meeting in May, 1856 ... ..	£211,195	6	5
Less bonus declared and paid in 1856, out of this amount ... ..	36,000	0	0
Reserved fund set apart in Government securities ...	175,195	6	5
Net profits of 1856, after making allowance for bad and doubtful debts ... ..	101,124	17	8
	276,320	4	1
Deduct dividend on company's stock for 1856 ... ..	38,486	12	0
Leaving rest, or undivided profits, Dec. 31, 1856...	237,833	12	1

"In this satisfactory position of the bank's affairs, the directors propose to declare, as before, a dividend at the rate of 8 per cent. per annum, together with a bonus of 10 per cent.; both dividend and bonus to be paid, as usual, in July. After payment of the bonus, the reserve fund will stand at £185,333 12s. 1d. In conclusion, the directors have to state that a bonus of 10 per cent. was given to the officers on their salaries at the close of the year, of which they have no doubt the proprietors will approve."

The Chairman moved that the report be adopted, and the motion having been seconded by Sir A. Scott,

Mr. Perry, having alluded to the recent notorious cases of frauds, &c., connected with joint-stock banks, begged to put certain questions, which he felt would elicit straightforward replies from the chairman. He wished to know first, whether there were any shares remaining to the debit of any directors not paid up, as he knew of cases where directors had shares who, nevertheless, received dividends, but did not pay up the calls?

The Chairman replied that no such case had ever occurred in reference to the board of this company.

Mr. Perry next inquired whether the securities were investigated from time to time?

The Chairman said, they were under lock and key. A certain number of the directors took charge of the bill department. Every day, it was their duty to check the whole of the bills which passed through, and to report subsequently to the general court, not only as to bills, but every other security, whether they were deeds to cover advances or other papers. He said this without any mental reservation whatever. (Applause.)

Mr. Perry contended that the directors should furnish more detailed accounts of profit and loss. If there was any suspense accounts, why were not the sums mentioned? The proprietors knew nothing of what was the amount of bad debts. He really considered their accounts to be very meagre, and he thought the proprietors were entitled to a fuller balance-sheet, profit and loss account, &c.

The Chairman did not think any more detailed accounts could give any additional security to the shareholders; and, after all, whatever might be said, banking was an affair of confidence; that was the basis of all banking operations. (Loud cheers.)

The report was adopted with acclamation.

The directors retiring by rotation were re-elected, and Mr. Hanson, jun., was elected a director in the room of Mr. Edward Stewart, deceased.



Thanks were voted to the chairman and directors, and to the manager. The meeting then separated.

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#### PROVINCIAL BANK OF IRELAND.

THE annual meeting of this company was held on the 22nd of May, at the offices, in Old Broad Street; Mr. Oliver Farrer in the chair.

The secretary Mr. Hewat, read the advertisement convening the meeting.

The Chairman said, the usual course to be taken at this meeting would be, to elect directors in the place of those who went out of office by rotation. Those four gentlemen were Mr. Henry Alexander, Sir W. Minto Townshend Farquhar, Bart., Mr. James Helme and Sir Moses Montefiore, Bart., F.R.S. The names were then put *seriatim*, and the above-named gentlemen were re-elected by acclamation. He had now to call upon Mr. Hewat to read the report of the year's progress of the bank.

The secretary then read the following:—

“Report by the Directors of the Provincial Bank of Ireland to the Proprietors assembled at the Thirty-second yearly General meeting, on Thursday, May 21st, 1857.

“The directors have the pleasure of reporting for the information of the proprietors, that the past year has been a peculiarly favourable one, and one altogether satisfactory in its results as regards the interests of this establishment. They are glad also to state that the condition of Ireland continues to improve. The harvest of last year in that country was on the whole a good one, the wheat crop being productive and of superior quality; and the oat and other grain crops, though injured by the wet weather which prevailed in autumn, are considered to be quite equal to average years. The potato crop was a large one and of fine quality, and flax was a fair crop, though in some districts it was said to be rather coarse and variable in quality. The price of agricultural produce and of cattle has continued high, and while those interested in land have been thereby benefited, the trade of the country has apparently been generally in a sound and satisfactory condition.

“It was stated in last year's report that two new branches had been recently established at Nenagh and Templemore, in the northern division of the county of Tipperary; and having subsequently been solicited to open a new branch in the town of Garrick-on-Suir, in the southern division of the same county, the directors, after the usual inquiry, were induced to comply with the request, and the branch was accordingly opened for business on the 22nd of December last.

“Before submitting to the meeting the result of the business of the past year, the directors think it right to refer to the unusual course they adopted in paying a second bonus along with the dividend at Christmas last. It was then seen that the profits of the year ending the 28th of March, 1857, were likely to exceed those of the preceding year, and to admit of an extra bonus being paid to the proprietors, and the court of directors therefore thought it would be expedient to pay that bonus along with the Christmas dividend, in January, instead of waiting until after this meeting and paying the additional bonus in July next, and they expect that the shareholders will concur in that view and approve of the course adopted.

“The directors have now to request the attention of the meeting to the following statement:—



The account submitted to the last yearly general meeting, in May, 1856, showed the amount of rest or undivided profits at 29th March, 1856, to be						£196,787	12	4
Out of which there were paid to the proprietors a bonus of 4 per cent. at Midsummer, 1856, and a second bonus of similar amount at Christmas, 1856, making, together the sum of						43,200	0	0
Leaving a balance of						£153,587	12	4
And there has been farther deducted the amount of two half-yearly dividends paid to the proprietors as follows, viz. —								
At Midsummer, 1856						£21,600		
At Christmas, 1856						21,600		
Together						43,200	0	0
Leaving of the rest of last year a balance of						£110,387	12	0
To which there has since been added the amount of net profits for the year ending on the 28th, being the last Saturday of March, 1857, after deducting property tax, and providing for all bad and doubtful debts						115,527	5	5
Making the amount of rest or undivided profits at 25th March, 1857						£225,914	17	9

"The proprietors will observe that the profits shown in the above account considerably exceed those of any previous year; which is attributed to the same causes as were stated in last year's report—namely, an increase of the bank's business, combined with the high rates of interest, and continued exemption from any losses of importance; and the directors consider it their duty to put these facts again prominently before the proprietors, and to repeat what they mentioned to the meeting last year—that this scale of profit is higher than can reasonably be expected to be permanent, and the proprietors must not, therefore, risk disappointment by calculating upon such large profits being continuous.

"The directors are, however, of opinion that the account now submitted to the proprietors, and the present position of the bank, are so satisfactory as to enable them to pay a somewhat increased bonus along with the next half-yearly dividend; and they have accordingly now the pleasure of intimating to the proprietors that it is their intention to pay in July next a bonus, or extraordinary dividend, of 30s. on each £100 share, and 12s. on each £10 share of the capital stock of the bank, in addition to the usual half-yearly dividend of 4 per cent., making the amount to be then paid £2 10s. on each £100 share, and £1 on each £10 share for the half-year ending at Midsummer next; and they will also, as heretofore, pay the property-tax for the proprietors."

The Chairman said,—Before moving the adoption of this report, I wish to make few—and they shall be very few—observations. Gentlemen, this is the thirty-second annual meeting at which we have had the pleasure of being assembled here and meeting you; and I may state that which, perhaps, seldom falls to the lot of any man—I have been so blessed with health that I have only been absent on one occasion in the period of thirty-two years. (Applause.) By the kind partiality of my colleagues, I have been placed in the chair this day—a position which has been more frequently filled by me than any merits or deserts of my own could justify, (Cries of "No.") But it is always, and always has been, gratifying to me,



to comply with those wishes: and it would, indeed, be extraordinary if I found any difficulty in doing so on the present occasion, when we have placed before you a statement (though I hope our statements have always been satisfactory and good), which far exceeds any report that we have ever had the pleasure to lay before you. The past year has been to Ireland and to this establishment one of unmixed prosperity. Ireland itself has, in all respects, flourished and prospered; every department of business in that country has prospered; and though the rate of interest has kept up at an unusually high sum, still I believe that commercial transactions have been, upon the whole, profitable; and that there have been, comparatively speaking, very few failures. (Hear.) I do not wish to occupy much of your time in speaking of the prosperity of the country, but I may allude to two or three facts which have been stated from this place, which must continue to attract great interest with regard to Ireland. In the first place, there is the constant diminution of pauperism, which is wonderful. The condition of the poor in Ireland is happily very different from what it was a few years ago only. We find from the accounts, which have been made up for the year to the 29th of September, 1851, the expenditure for the poor was £1,167,000. The accounts made up to September, 1856, for the like period, showed £576,390. This is a diminution exceeding more than one-half; but from that sum of £576,390, the whole amount of the money paid for the poor, there was to be deducted nearly £220,000 for the establishment and officers connected with it. So that, in point of fact, the money distributed for the maintenance of the poor was only £362,000. Now, this is a state of things which cannot fail to be satisfactory to those who are connected with Ireland; and it is gratifying to know that, though the introduction of the poor law system in Ireland was opposed, it had produced the most happy results up to this time. Wages have increased, the poor of the country principally work the land, and the labouring population are reduced in number lower than, perhaps, they should be, but emigration has now almost ceased, and much is done to improve the land. In illustration of this I will read some extracts from the last report of the Commissioners of Public Works in Ireland:—"In making our annual report on the operations under the Landed Property Improvement Acts for the year 1855, we have again the pleasure of recording their general success, and the important extension and improvement in green-crop husbandry which have followed the thorough draining, according to the deep system, now practised in every part of Ireland." "The only impediment now experienced by landed proprietors in carrying out their works as rapidly and extensively as might be desired being the difficulty of procuring a sufficient number of labourers at the proper seasons." But here I must remind you that wages have been high, and the fact is, that persons get higher wages than by employing themselves under the government commissioners. "In our nineteenth report we stated that agricultural industry had begun to revive in every part of the country; and we have now the gratification of being able to state that, notwithstanding the mania for emigration, which has induced numbers, with moderate capital, to throw up their farms and leave the country; still the great body who remain appear steadily to exert themselves, and, witnessing the striking improvements which have resulted from the system of thorough draining adopted in the works under the Land Improvement Acts, have likewise, to a great extent, adopted a similar system of drainage, and followed out the subsequent operations of sub-soiling, green-cropping, and rotative husbandry." The commissioners then state the number of acres that have been thoroughly drained, and the expense attaching thereto.



This state of things is shown to apply, not only to large farms, but to farms of £20 a year, where the proprietors are doing the work themselves. I think you will agree with me that nothing can be more satisfactory than the state of the country, and in that prosperity our establishment has not failed to reap great advantages (hear, hear). I have now, gentlemen, to say one word in reference to the unusual course which we adopted in making a second bonus at the end of the year. Last year, when I had the pleasure of addressing you from this chair, was a period when we were undergoing the transition from war to peace—a state in which it might be expected that the probable rate of interest would be diminished and commercial pursuits deranged in this country. I believe that commerce was seldom more profitable, and the rate of interest has continued very high. Had we been aware of that, we should have told you we would give you another bonus at Christmas, but, from the uncertainty which then existed, we feared the possibility of disappointment. But the moment we found what was our position, we felt that the time was come when you, the shareholders, had a right to participate in the profits, and we therefore determined to pursue the course we did. We have thought it best to equalise the bonus by a payment at Christmas, instead of making a larger one now. But my great principle and desire is to keep the dividend as equable as we can. It must be obvious to everybody, that with increased liabilities, and increased scope of business, you must have a larger amount of reserved fund. We never will divide more than will leave us in a perfectly secure position, and leave us an ample reserved fund; but when we have attained that, then I think you are entitled to it. These reasons have induced us to make the bonus we now propose, which will be an additional 10s. per share, making the bonus 30s., instead of £1, and making the dividend thus paid for the year 18 per cent. You will observe that this has been done in the face of this increasing dividend, if we may so call it; the rest has gone on increasing and it now stands at a higher amount than it has ever reached since the bank was established. In March, 1855, after paying everything, the rest was £162,000. In the year 1856, after paying bonus, &c., it reached £196,000; and this year, after paying a double bonus, the rest amounts to £225,000; so that we have gone on increasing the rest with increasing dividends. We hope, therefore, gentlemen, that you will not think we have been imprudent in making an additional bonus. I have now to say one word upon the bank itself; and I am sure it will be satisfactory to all of you to know that day by day we are striking deeper root in the affections and interests of Ireland. The whole number of our proprietors is 967, and of that number 660 are in Ireland; so that you will see the number of shareholders is greater in Ireland than in England, but the ramifications of our business connection are great. Every day persons come to us, attracted by the honourable character we sustain, by the parties knowing our mode of doing business, and the interest of their pockets. It was stated to us, in the outset, that this company would not do in Ireland, because it was an English company. I will now give you a proof of how much we are an English company, and that we are not greedy of patronage. Our establishment of clerks and officers in Ireland consists of 194 persons. Of these, six are Englishmen, 32 are Scotchmen, and 156 are Irishmen. It has been our lot to benefit the country. We take our *employés* from the sons of gentlemen in the neighbourhoods where our banks are located. These 156 gentlemen have risen from the lowest to the highest rank, with almost universal satisfaction. I desire here to pay a debt of gratitude, by acknowledging the talent, the zeal, and the indefatigable industry, to the chief officers of the establishment. (Hear.) With all the care that can be



bestowed on a great concern like this, to avoid bad debts, you must rely chiefly on the judgment, the scrutiny, and tact of your officials. I do not think this establishment is surpassed (it would be invidious to make comparisons with others) certainly by any other company in this respect. Of those gentlemen—I refer to my friend next me, Mr. Hewat, to Mr. Murray, in Ireland, Mr. Christie, and others—you may justly feel proud. They have saved us from making bad debts. I fear I have intruded on your time longer than I ought to have done, and I will, in conclusion, move that the report be received, adopted, printed, and distributed amongst the proprietors.

Mr. John Oxley seconded the motion, which, having been put by the chairman, was carried unanimously.

Mr. Hankey proposed a vote of thanks to the court of directors, and to the chairman, for the care which they had bestowed on the affairs of the bank. He was happy to hear that the branches were doing so well, and with such increased business, he hoped the dividends would not be diminished, though the rate of interest might be lowered. (A laugh.)

The motion was carried unanimously.

The Chairman returned thanks on behalf of himself and his colleagues. He had only one observation further to make. The hon. gentleman expressed his hope that the dividends would not fall, though the rate of interest might. He did not see how as much dividend could be paid out of less profits. The directors would, at all times, do the best they could for the interests of the shareholders.

Captain Porter, R.N., said, nothing could be more gratifying to the shareholders than to see the confidence which the board reposed in their officers, and he begged to move the thanks of the proprietors to the chief officers of the bank, the secretary, and the managers in Ireland.

The Chairman said, though it was unusual to do so, he had great pleasure in seconding the resolution. No gentlemen ever more deserved such a compliment.

Carried with acclamation.

Mr. Hewat took the opportunity of returning his thanks for this kind expression of feeling on the part of the proprietors. He was sure that Mr. Murray and the other chief officers would be equally thankful for this mark of their confidence and kind feeling.

The meeting then separated.

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#### ORIENTAL BANK CORPORATION.

The annual meeting of the Oriental Bank Corporation was held on the 25th of May, Mr. H. G. Gordon presiding, when a dividend and bonus of 7 per cent. for the last six months were declared, and the report and accounts unanimously adopted. Attention was directed by the chairman to the increase in the insurance fund, which now stands at £38,000, and to the item of £143,114 representing the buildings, &c., belonging to the bank. It was explained, with regard to the latter, that the directors find the purchase of premises more advantageous than an occupation as tenants. The loss through the fire in China has been \$27,000, but it cannot be recovered in the ordinary course, although fully insured. As the Government, however, will claim compensation for the losses of British merchants when the existing struggle shall have terminated, the amount may be eventually obtained. The reserved fund of £200,000 is invested in East India Government securities, Exchequer-bills, and Turkish Four per Cent. Guaranteed Stock. Annexed is an abstract of the report:—



"The amount of net profit for the year 1856, is £163,362 2s. 6d., from which a dividend for the first six months at the rate of 10 per cent. per annum has already been paid, and it is now the intention of the directors to declare a like dividend, together with a bonus of 2 per cent. for the six months ended on the 31st of December last. This dividend (£1 5s.) and bonus (10s.), together £1 15s. per share, or 7 per cent. on the capital for the last six months, will be payable (free of income-tax) on and after the 1st proximo. After these payments are made, there will remain a balance of £8,062 to be carried forward to next year's account."

*General Statement and Balance Sheet of the Oriental Bank Corporation for the year ending 31st December, 1856.*

LIABILITIES.

	£	s.	d.
To promissory notes in circulation not bearing interest...	358,366	2	6
Bills of exchange in circulation not bearing interest ...	2,379,180	18	1
Balances due to other banks ... ..	317,940	4	11
Cash deposited, not bearing interest ... ..	461,367	16	2
Cash deposited, bearing interest... ..	2,310,144	11	9
<b>Total due to the public ...</b>	<b>£5,826,999</b>	<b>13</b>	<b>5</b>
Capital paid up ... .. £1,260,000	0	0	
Reserved surplus fund ... .. 252,000	0	0	
Insurance fund ... .. 38,183	0	0	
Dividends remaining unpaid ... .. 11,743	10	0	
Balance of profit and loss after defraying all current charges ...	96,262	2	6
<b>Due to shareholders ... ..</b>	<b>1,658,188</b>	<b>12</b>	<b>6</b>
	<b>£7,485,188</b>	<b>5</b>	<b>11</b>

ASSETS.

	£	s.	d.
By coin and bullion ... ..	2,216,641	11	3
Balances due from other banks ... ..	101,603	18	9
Promissory notes or bills of other banks ... ..	54,407	15	0
	2,372,653	5	0
Government securities ... ..	1,065,266	6	5
Landed or other property of the corporation ... ..	143,314	6	0
Debts secured by landed or other property ... ..	55,371	12	6
Notes and bills discounted, or other debts due to the corporation, not included under the foregoing heads, and exclusive of debts abandoned as bad ...	3,848,582	16	0
	<b>£7,485,188</b>	<b>5</b>	<b>11</b>

*Profit and Loss Account.*

	£	s.	d.
To amount paid as dividend for the half-year to 30th June, including income tax ... ..	67,200	0	0
Balance as above... ..	96,262	2	6
	<b>£163,462</b>	<b>2</b>	<b>6</b>



By amount of net profit at 31st December, 1856, after  
defraying current charges and writing off all bad and  
doubtful debts ... ..

	£	s.	d.
	163,462	2	6
	<u>£163,462</u>	<u>2</u>	<u>6</u>

### THE BANK OF MESSRS. LAWE AND Co., AT PRESTON.

A CROWDED meeting of the depositors in this bank, which closed on the 16th of May, through the decease of the proprietor, was held on the 26th, in the assembly room of the Bull Hotel, Preston, Mr. T. Walmsley in the chair. Mr. Forshaw, solicitor, of Liverpool, appeared on behalf of the executors of the late Mr. Lawe, and made the following statement as to the financial position of the bank:—Liabilities of the bank, £113,549 16s. 7d. Estimate of overdrawn accounts, £53,100 7s. 1d.; cash, available securities, £47,075; real estate, unincumbered, £50,000; total, £150,175 7s. 1d. Total balance in favour of the estate, £36,625 10s. 6d. The proposition made by Mr. Forshaw with respect to the liquidation of the claims upon the bank was to pay 10s. in the pound on or about the 20th June next, and the remainder in one instalment of 10s., or two of 5s., as soon thereafter as practicable, and as the depositors thought fit. Mr. Ewings, one of Her Majesty's inspectors of factories, moved the following resolution:—"That the statement made this day by Mr. Forshaw, respecting the affairs of the late bank of Messrs. Lawe and Co., is satisfactory to this meeting; and that this meeting has confidence that the proposition made will be carried into effect as soon as practicable." The Rev. H. Self, of Lytham, seconded the motion, which was carried unanimously and with applause. The meeting separated, with a vote of thanks to the chairman, and an expression of condolence with Mrs. Lawe.

## Communications.

*To the Editor of the Bankers' Magazine.*

### PAYMENT OF DIVIDEND WARRANTS.

SIR,—If your correspondent "Desperado" be in the habit of making "bold" alterations in London and North Western Railway dividend warrants, it is not to be wondered at, that the "appearance" of them is "shamefully disfigured," or that "errors and inaccuracies are often created." It is doubtless unnecessary to inform your readers that the railway company in question deducts, like others, a sufficient amount of income tax, before issuing the dividend warrant; neither need I stay to point out that, so far from the paper employed being a minute shred, the document invariably occupies an ordinary letter sheet.

But "Desperado" evidently refers to the debenture coupon. To this memorandum I would also beg to call your attention.

As at present constituted, it is neither a cheque, draft, or note, and consequently cannot be held liable to stamp duty; while virtually it is a draft



on demand, circulated beyond fifteen miles. Would it not be well if our legislators added a clause to the Stamp Act specially calculated to meet this case, and to prevent the continuance of an evasion now successfully and commonly practised?

I am, sir, your very obedient servant,  
Tewkesbury, May 5th, 1857.

NIL DESPERANDUM.

#### PROTESTING FOREIGN BILLS OF EXCHANGE AFTER ACCEPTANCE VARYING FROM TENOR.

SIR,—Thanking you for your reply to my letter under this heading in your last number, I confess myself unable to see on what grounds you arrive at the conclusion that the notary acted under 2nd and 3rd William IV., c. 98, which solely refers to unaccepted bills. The simple question is, whether the holder of a bill, in taking acceptance varying from the tenor without objection, does not thereby confirm it. I would say, if the acceptance was irregular or insufficient, the bill ought to have been protested for non-acceptance; but that not having been done, the holder at maturity, in protesting for non-payment, without presenting the bill for payment where it was domiciled, acted illegally. However, I shall receive with deference your judgment on these points.

I am, your obedient servant,

Glasgow, 6th May, 1857.

D. B.

#### SCOTCH BANKERS' DRAFTS ON LONDON SENT TO AUSTRALIA.

SIR,—Having recently seen instances of great inconvenience and vexation, as well as loss of time and money, to poor people in this colony, occasioned by their friends in Scotland having sent them out money in the shape of Scotch bankers' sola drafts on London, I would respectfully beg to point out to the country bank managers in Scotland—for it is they principally who commit the mistake—that a sola draft on London will not be negotiated by the banks in this colony, until the holder of the draft has been put to the expense of a notorial copy of it.

When the banker is aware that the drafts he issues on London are intended for these colonies, he ought invariably to issue them in sets, and instruct the purchaser to send out the complete set.

By attending to this, much inconvenience and annoyance to parties here will be saved.

Colony of Victoria, 26th January, 1857.

G. B.

#### AUDIT OF ACCOUNTS OF JOINT-STOCK BANKS.

SIR,—It is to be hoped that the committee appointed to inquire into the operations of the Bank Acts of 1854 and 1855 will inquire into the system of accounts adopted by the joint-stock banks. Recent events warrant legislative interference. The object of this communication is to bring under your notice the anomalies of the Scotch system, of which Scotchmen are wont so much to boast. In Scotland there is no audit at all. The principal executive manager prepares a report, which is submitted to the annual meeting of the shareholders. The adoption of this report is invariably moved and seconded by members of the direction, and passed as a matter of course. Generally speaking, the direction is composed of men of wealth, influence, and undoubted integrity; but recent events prove that those qualifications, unless they, the directors, are at the same time



practical men, are conducive of bad effects, inasmuch as the presence of such men at the board secures for the establishment a confidence which it may not merit. The utter absence, in Scotland, of the publication of any report or balance-sheet, calls for comment. In England, the joint-stock banks duly publish their periodical accounts, and any proprietor, on application, may have a copy. These reports are not explicit enough to enable any party perusing them to form an opinion as to the stability of the establishment by whom they are issued, but any proprietor, by a comparison of the deposits and advances, can at once ascertain whether his dividend has been paid out of legitimate profits or out of capital. None question the solidity of the existing establishments; but this is a fitting time for the abrogation of a system of secrecy which enables the executive, in adversity, to put the evil day afar off, making the consequences of a failure, when it comes, doubly disastrous.

Your obedient servant,

Dara, 16th May.

A.

### CHEQUE DRAWN IN PENCIL.

SIR,—Will you be good enough to inform me, in an early number of the *BANKERS' MAGAZINE*, if a banker is bound to pay a cheque drawn upon himself, written in pencil; also, whether such cheque is a legal document?

I am, Sir, your obedient servant,

Windsor, 23rd May.

A. B. C.

[We think the banker is bound to pay, and that the cheque is legal. See the case of *George v. Physic*, 5, Barnwell & Crosswell's Reports, 236.]

### PRESENTMENT OF CROSSED CHEQUE.

SIR,—A firm in London sends me a cheque on myself, crossed *Prescott & Co.*, requesting me to pay the amount to their credit at Prescott's.

Am I justified in complying with their request, or must the cheque be presented through a banker?

I have no doubt about the matter myself, but I would be obliged by your opinion for the satisfaction of others who do not agree with my reading of the act passed last year on this subject.

I am, Sir, yours respectfully,

May 16th, 1857.

AN OLD SUBSCRIBER.

[The Act of 19 & 20 Vict., c. 25, requires the payment to be made to or through some banker, and does not interfere with the presentment; and even if it did, we think the payment is the substantial point; and if that were correct, the mode of presentment would not be inquired into.]

### CHEQUE PAYABLE TO BEARER, AND INDORSED TO ORDER.

SIR,—Oblige me by your opinion on the following case:—

A person draws a cheque to *bearer*, in the ordinary manner. Another person becomes possessed of the same, and makes it payable to the *order* of a certain party, without making any alteration on the *face* (which, of course, he could have no right to do), but putting an adhesive *stamp* on the *back*. Is it lawful to alter a cheque payable to *bearer* in such a manner? Is the banker bound to take notice of such alteration? Is it not sufficient to see that the *face* of a cheque payable to bearer is right, without looking at the *back*?



Your opinion also of "Grant's Law of Banking" will oblige; and whether it is a good practical work for bankers.

I am, Sir, your obedient servant,

Torquay, May 18th, 1857.

A SUBSCRIBER.

[We cannot give a positive answer to this question, but we think a banker need not look at the back of a cheque payable to bearer; but if he should do so, and thereby be fixed with notice that it had been made payable to order, it might be unsafe for him to pay the cheque without the indorsement of the party to whose order it was made payable. We have found *Grant's* work useful, so far as we have had occasion to examine it.]

#### TIME TO RETURN A CHEQUE RECEIVED BY POST.

SIR,—If a banker receives a cheque by post from a distant bank, is it necessary that he should return it the same day on which he received it, or can he hold it over night and return it by post the following day, without rendering himself liable to be compelled to pay it.

I am, Sir, your obedient servant,

11th May, 1857.

A SUBSCRIBER.

[We have always considered that the banker to whom a cheque is sent by post does all that can be required of him if he returns it by the following day's post; and we are not sure that he is obliged to do that, although it is courteous to do so,]

#### ACCEPTANCE VARYING FROM TENOR.

SIR,—Your Glasgow correspondent, "D. B.," has put a very interesting question with regard to the acceptance of Bills of Exchange, and I hope he will let your readers know the result, and who has to bear the loss. I submit that the London agent of the Paris Bank was wrong in taking the acceptance, payable in Glasgow; he ought to have refused it, as being contrary to the tenor of the bill. In the bank with which I am connected it is our invariable practice to refuse an acceptance contrary to the tenor of the bill.

I submit that the acceptors were wrong in deleting the words "Payable in London:" they ought to have accepted the bill according to its tenor, or refused it.

With regard to the presentment when due, the holders were quite right in law to have the bill protested in London, but I think wrong, in common sense; for to present a bill for payment in London which is evidently and plainly, on the face of it, payable in Glasgow, though right in law, is wrong in common sense; therefore, had I been the holder of the bill, I would have sent it to Glasgow for payment. The acceptance ought to have been objected to when accepted, and not when the bill became due.

I am, Sir, your obedient servant,

Cheetham Hill, near Manchester, 6th May. 1857.

F. D.

#### BILL AND DRAFT ON DEMAND STAMPS.

SIR,—I read the letter of "B. B. B.," in the April Number of your Magazine, and, like yourself, I did not understand it.—His next letter, in your May Number, was somewhat more explicit; and though he is not a "neighbour," in the true sense of the word, nor yet a neighbour banker,



and though the matter regarding which he writes is so trifling as to be scarcely worth notice, still in case you or any of your banking readers may not understand why such stamps have been used by us, I wish just to state that in the ordinary course of business our London engravers printed off to order ten thousand of our Draft on Demand forms, and sent them to the Stamp Office to be stamped. The great bulk of these were stamped correctly enough "*Draft on Demand, One Penny*," but the stamping clerks would appear to have made a mistake with a few of them (about one hundred), and stamped them "*Bill or Note, One Penny*," and being mixed up with the others, the mistake was not noticed when they were received here. Hence the mare's nest "*B. B. B.*" has found.

I am, Sir, yours faithfully,

Workington, 13th May, 1857.

WM. B. GORDON, *Manager*.

SIR.—Will you have the goodness to favour me with your opinion on the following case:—

A. B. sold, on the Saturday, a house to C. D., and received in payment a cheque drawn by a third party in favour of C. D. On the Monday following he took the cheque to his bankers, and received for it their accountable receipt. They did not present it for payment at the bank upon which it was drawn, until the day but one after (Wednesday,) and received it back dishonoured on the Thursday morning. They sent a verbal message to A. B. by an indirect channel, which he did not receive, and wrote him by post informing him of the return of the cheque; and this letter reached him on the Friday morning. The same day he wrote to the drawer of the cheque, and the person from whom he had taken it, demanding payment. On the following morning (Saturday,) A. B. told his bankers that they had overheld the cheque and would be responsible for it, and they (A. B.'s banker's) employed their solicitor to write for payment to the drawer and payee. They merely received evasive answers to these applications, and though urged repeatedly to press the case on the ground that the drawer of the cheque was preparing to quit the country, they delayed until he was clear away; and on again applying to the payee he refused payment, on the ground of the cheque having been overheld. They (A. B.'s bankers) then offered to compromise with A. B., by receiving from him one third of the value of the cheque, which he declined. Upon whom ought the loss to fall, A. B., his bankers, or the payee of the cheque, from whom it was taken by A. B.? No time was lost by A. B., unless it is held that he ought to have taken the cheque to his bankers on the day he received it. Had the bankers in the first instance acted with vigour, it is certain the money would have been obtained, and A. B. would have gained payment had he not believed the bankers to have rendered themselves liable for the money.

I am, sir, your obedient servant,

F. P.

Bakewell, May 22nd, 1857.

[The loss must be borne by the bankers of A. B., if they lived in the same town as the bankers upon whom the cheques were drawn. If they lived in different towns, and the cheque had to be sent by post, then the bankers of A. B. are exonerated, and A. B. must bear the loss. We think the payee of the cheque was discharged.]



## Notes of the Month.

**BANK OF LONDON.**—True bills have been found by the grand jury, at the Central Criminal Court, against the parties charged with conspiring to injure and defame the Bank of London. A writ has since been granted to the prosecutors, authorising the removal of the indictment by *certiorari* into the Court of Queen's Bench, in order that it may be tried before a commercial jury.

**A WEEK'S WORK IN AUSTRALIA.**—The "Ballarat Star" gives the following cheering summary of the mining events for the last week in February:—On Saturday, the Champion of the Seas claim on White Horse washed up a total yield of gold amounting to 4,212 ozs. On the same day, one of the engine parties on the Gravel Pits divided 1,296 ozs. The White Star Company, White Horse, divided on Friday 3,592 ozs. of gold, the paddock having been washed up on the day before, and the amount realised per share was £606 7s. 8d., calculating the gold at £3 19s. per oz. On Saturday and three following days, the Union Jack Lead Prospect claim nuggetted 5 lbs. weight, and on Friday morning a lump weighing 254 ozs. was obtained from the second claim east of the Prospectors' ground. On Thursday, Noah James and party came upon a patch of gold of 12 lbs. weight in their claim, on the old ground in the Gravel Pits, immediately at the rear of the "Star" office; and on Friday morning the same party washed 9 lbs. more from two buckets of gutter stuff. James's claim had previously yielded about double that quantity; and these results are obtained, be it remembered, from the second working of this notable old Gravel Pits line. On Guy's lead a 33 ozs. nugget was obtained in the early part of this week; and the Prospect claim in the Caledonian lead nuggetted in two days this week 21 ozs. The aggregate yield of gold thus passing into the actual possession of the shareholders of seven claims, during one week, amounts to 10,080 ozs., or nearly half a ton weight; and the value, estimated at 79s. per oz., reaches the imposing sum of nearly 40,000.

**GOLD.**—It has been estimated that the total amount of gold in use in the world in 1848, was £60,000,000 million sterling, and the annual supply was believed to be between £8,000,000 and £9,000,000. From recent influx, consequent on the discoveries in California and Australia, the amount now in hand is of the computed value of £820,000,000 sterling. California, from 1849 to 1853, produced about £65,900,000 Australia, £35,000,000, from 1854 to 1856. They have together produced about £70,000,000 more. With all this large addition to the production of gold, it is strange, but no less true, that very little addition to the stock of gold in the country has been made. We have, however, benefited by the increased production, and our export trade alone has, since the discovery of gold in Australia and California, about doubled in value. The net produce now in the world is equal to 205,000,000 ozs. troy, or 8,542 tons. The gold coinage in Great Britain, France, and the United States, in 1853, amounted to £41,800,000. In 1856, it is computed that the Australian gold mines alone yielded 3,008,281 ozs., or say, at £4 per oz., £12,032,124.

**PANIC AT VIENNA.**—The advices from Vienna describing the recent unfavourable movement upon that Bourse states, that the following are the principal causes which have produced the late extreme depression:—1. Baron Bruck has displayed more energy than judgment, and has brought too many kinds of *industrial* stock into the market at one and the same time; but still he has considerable difficulty in making up his mind to hold his hand; 2. The public has discovered that it is folly to pay a premium on shares in railroads which



have not been commenced, when it can buy National Loan scrip, bearing 5 per cent., payable in silver at 84½; 3. The National and Credit Banks are likely to give notice to the owners of some kinds of deposited stock that the security in their hands is not considered sufficient, and that the money advanced on it will be called in; 4. Some kinds of *industrial* stock, such, for instance, as Northern Railroad shares, has been sold at very low prices, the holders being in want of money for the fourth instalment on Credit Bank shares, which must be paid before the 1st of May; 5. The issue of Russian Railroad shares, which cannot but exercise a very unsatisfactory influence on all the continental money markets. Some of the Vienna bankers have been morally obliged to take shares in the Russian railroads, but they know full well that they will never be able to dispose of one of them here.

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**THE TIPPERRARY BANK.**—The Irish Lord Chancellor has given judgment in the appeal from the decision of the Master of the Rolls, by which Mr. Vincent Scully was held liable as one of the contributories to the Tipperary Bank, notwithstanding the transfer of his shares to a third party. The Chancellor, after stating his reasons for dissenting from the decision of the Master of the Rolls, said he did not consider that Mr. Scully's name should have been placed on the list of contributories, and he would, therefore, vary the order of the Court below, and order it to be struck off.

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**BELGIUM TARIFF.**—The Belgian Government contemplate a revision of the laws and regulations bearing on the importation of foreign goods into Belgium. The object is to assimilate their system as nearly as possible to that now in operation in this country, under the Customs Consolidation Act. By the introduction into Belgium of the bonding system in all its integrity extraordinary benefit will be conferred on the commerce of that country, and it is a change which may be completely carried out without clashing with the views of any political party.

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**LETTERS BY THE POST.**—Persons in America directing letters for London should be careful to put the initial letters of the metropolitan district intended above the word "London," and not under it. A leading house in New York having transmitted bills for £70,000 in a letter directed "London, W. C." it was carried to London, Western Canada.

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**ESTATE OF REID, IRVING AND Co.**—It appears that the dividends paid on the estate of Messrs. Reid, Irving and Co have amounted to 2s. 6d. in the pound. In addition to the further sum of 6d. in the pound, now declared, it is hoped there will yet be considerable realizations.

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**ALLOWANCE OF INTEREST ON DEPOSITS.**—It is stated that Messrs. Coutts and Co. have notified their willingness to allow interest on any large sums deposited with them for fixed periods; but the privilege is only conceded to customers.

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**SAVINGS'-BANKS.**—A return has just been published relative to savings'-banks. It shows that at the date of the return the number of banks in the whole of the United Kingdom amounted to 591; the number of officers—620 paid, and 1,203 unpaid; the salaries and allowances of the paid officers, £85,186; the annual expenses of management, £113,423; the number of accounts remaining open on the 20th of November, 1855, £1,801,422; the total amount owing to depositors on the said 30th of November, 1855, £34,135,525; the total amount invested with the National Debt Commissioners, £33,956,105; the rate of interest paid to depositors (on the average), £2 18s. 8d. per cent.; the total number of annuities granted from the commencement, 10,602 (£184,217). the annual number of



receipts from depositors in the year ended the 20th of January, 1855, £1,409,724; and the annual number of payments to depositors in the year, £793,066. The average amount of receipts from depositors in the year was £5 2s. 8d., and the average payments to depositors £9 13s. 4d.

**THE GOVERNOR OF THE BANK OF FRANCE.**—The Count D'Argout, after having been Governor of the Bank of France for 21 years, has tendered his resignation, which is said to have been just accepted by the Emperor. According to report, the Count was hurt at the little deference shown to him in the late monetary councils at the Tuileries. As his long administration was chiefly distinguished by extreme prudence, his retirement will, perhaps, be acceptable to the speculators, and, coupled with the rumour that the bank are about to issue notes of a denomination as low as 50fr., it may, perhaps, have been a cause of the advance in prices. It was stated that M. De Parieu would probably be his successor.

**CREDIT MOBILIER FUROR.**—The advices from Cuba describe increasing activity in the slave trade, and state that the large profits of the planters during the past year have led to an extraordinary state of inflation, every one being engaged in bank, railroad, or other joint-stock schemes. A *Credit Mobilier* had been formed with a capital of £1,600,000, and its shares had realised 26 premium. All the waste lands of the island are to be gradually acquired by the bank, and are to be put into a state of production.

**THE OTTOMAN RAILWAY FROM SMYRNA TO AIDIN.**—This undertaking, with a capital of £1,200,000, divided into 60,000 shares of £20 each, or 2,500 piastres each, with a guaranteed *minimum* dividend of 6 per cent. by the Sublime Porte, has been brought out under favourable auspices. The line, which is about 70 miles in length, will connect Smyrna, the most important seaport in the Levant, with Guzelhisar or Aidin, the great *entrepôt* of the internal trade of Asia Minor; and the traffic promises to be of a most favourable description. There can be no doubt of the advantages which will attend the development of the resources of the province, and of the ultimate result, should the management be distinguished by economy and prudence. As the Turkish Government itself participates in the share subscription, the Sultan with the Grand Vizier heading the list, confidence is entertained in the pecuniary success of the project, not only here, but also at Constantinople.

**SOLICITORSHIP OF THE BANK OF ENGLAND.**—A resolution was passed this morning at the Bank Court associating Mr. Henry Freshfield with Mr. Charles Freshfield in the appointment of solicitors to the Bank of England, the latter having held the appointment jointly with the late Mr. James Freshfield, jun., for the last 17 years. In their circular, announcing the death of their brother, Messrs. Freshfield state—"With a view to supply as far as possible the loss sustained by this event, we have made arrangements for taking into partnership his eldest son, Mr. William Dawes Freshfield, and Mr. G. G. Newman, of whom both have been brought up in our office, and the latter has held a position of great trust in it for some years."



### THE CHINA EXCHANGE.

THE telegraph quotations of the rates of exchange from China on the 28th of May, show no alteration at Hong Kong, but an advance of 5 per cent. at Shanghai,—the rate, which was 6s. 11d. to 7s. by the last packet, being now 7s. 3½d. to 7s. 4d. This must give another powerful impulse to the shipment of silver, and the packet of the 4th of June will take out probably from £700,000 to £1,000,000, the only limit to the quantity for the moment being the supplies available within the period and the extent to which insurances can be effected. Dollars were eagerly sought during the afternoon, and an advance of ½d. per ounce was demanded. On the other hand, the exchanges from Bombay and Calcutta were again less unfavourable for this country. At Bombay the rate was 2s. 1½d., and at Calcutta 2s. 1d. 11-16 to ½d., showing in each case a decline of about ½ to ¾ per cent.

### THE BANK DEFALCATION AT FALKIRK.

Mr. Henry Salmon, who, for a period of nearly forty years, has been agent for the Commercial Bank here, has been charged with the embezzlement of large sums of money belonging to the bank. Most of our readers know the position Mr. Salmon held in the town. He was a justice of the peace, an elder of the church, until recently he held the situation of postmaster, he has been for the last ten years chairman of the parochial board, and was at one time provost of the burgh. He was, and has been for a long time, chairman of the feuars; he was a landed proprietor in the parish, and took an active part in all public affairs connected with the town. Mr. Salmon was the means of raising the money for defraying the expense of putting High Street into its present excellent condition; and he had his portrait painted by the president of the Scottish Academy, and a valuable silver *épergne* presented to him by the inhabitants for the exertions he made for street improvements. It appears, however, that while he occupied such an influential position in relation to the public, and while he was ostensibly so actively engaged in the public service, he had been pursuing a systematic course of fraud with reference to the bank with which he was connected. Rumour asserts that his defalcations amount to between £23,000 and £26,000, and as this has not been officially contradicted, there is every reason to believe that the amount has not been overstated. The defalcation during the last year is set down at £2,000, and it is said that the embezzlement extends over a period of seventeen years. There have been a great many hypotheses advanced with the view of accounting for the manner in which Mr. Salmon succeeded in concealing his frauds from the bank. It is well known that the system of inspection followed by the Scotch banks is of the most rigid character, and it is difficult to conceive how he could have contrived to shield his delinquencies from such a scrutiny. By the system which is said to have been pursued by Mr. Salmon, however, the money, or at all events a considerable portion of it, did not appear in the bank books at all, so that no inspection, however minutely conducted, could detect the fraud, and it was by accident it was ultimately discovered. On Tuesday week, while Mr. Salmon was absent at Stirling, attending the licensing court as a justice of the peace, the bank inspector arrived at Falkirk on an inspecting tour. In the book safe, it is said, he discovered a book or sheet which revealed, to some extent, the true position in which



Mr. Salmon stood to the bank. The inspector at once communicated with the management in Edinburgh, and the consequence was the immediate suspension of Mr. Salmon from his office of agent. The whole of this transpired while he was at Stirling administering justice, and he was first made acquainted with the disagreeable facts by one of his sons, who drove from Falkirk to Larbert, intercepted his father at that station, and conveyed him back in a gig to the bridge of Allan. On the Wednesday following, Mr. Salmon left Falkirk for Edinburgh by the mid-day train, since when his movements are involved in mystery. On Saturday morning, circulars were sent to the various police stations, intimating the embezzlement, descriptive of the person and dress of the delinquent, and requesting all officers of the law to use every means for his apprehension. While we write, he is still free, as far as is known; but if the bank be determined to prosecute the case, it seems impossible that he can ultimately escape. The event has created a painful excitement in the town, and coming, as it has done, upon the heels of others of a similar character in England, it tends to confirm the belief that the foundations of our commercial morality have been entirely shaken by the ruinous system of social competition which has been developed among the commercial classes. We learn with regret that some of the merchants in the town will be losers to a considerable amount by Mr. Salmon, as it appears that he was largely indebted to many of them. —*Falkirk Herald*.

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### MONTHLY CHRONOLOGY.

April 30.—The first session of the fifth Parliament of Queen Victoria opened by the election of Mr. E. Denison as Speaker of the House of Commons.

30. Suspension of Messrs. Biggs and Son, of Broken Wharf, Upper Thames Street. Liabilities £21,000, and assets £11,000.

May 6.—Suspension announced of the General Wood Cutting Company, with liabilities estimated at £80,000.

7. Her Majesty's message to Parliament on opening the session, delivered by Royal Commission.

7. The directors of the Bank of England refuse to make advances on any terms upon Government securities.

13. Failure of Messrs. Barker and Co., timber and stave merchants, Southwark, liabilities stated to be between £60,000 and £100,000.

14.—Announcement of the stoppage of Messrs. E. J. Hambro and Co., general merchants.

16.—Announcement made of the closing of the bank of Messrs. R. Lawe and Co., of Preston, in consequence of the sudden death of Mr. Lawe, the sole proprietor.

20. Intimation received of the failure and flight of Mr. C. Thurneysen, of Paris, with liabilities amounting to about £800,000.

22. Failure of Messrs. McAlpin and Nephew. The liabilities are about £20,000.

24. Failure of Mr. Doherty, of Liverpool, with liabilities amounting to about £100,000.

25. Intelligence received of the suspensions at Boston, U.S., of Messrs. Whitney, Fenno and Co.; Messrs. Chapman, Lord and Hall; and Messrs. Shaw, Sampson and Bramhall, all importers of foreign goods. Their united liabilities are put down at £200,000.

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## BANK MOVEMENTS.

Mr. Tita, M.P., and Mr. Philip Anstruther have been appointed chairman and deputy-chairman of the Bank of Egypt.

## BANKING OBITUARY.

On the 18th of May, at Preston, aged 41, Mr. Robert Lawe, banker.

## Monetary Intelligence.

### REVIEW OF THE MONEY MARKET FOR THE MONTH OF MAY, 1857.

THE financial and mercantile events during May have not presented features of interest. Favourable weather and receipts of specie from Australia and America have assisted to keep things in a steady position, but the demand for money is yet sufficient to prevent any reduction in the rates of discount. The bank having discontinued advances on stock the speculators have not possessed the usual facilities, and many have consequently closed outstanding accounts. Silver continues to be remitted to India and China in large quantities, the proportion taken for Hong Kong and Shanghai being very considerable, and hence gold is absorbed to make the necessary purchases. It is also believed that the directors of the Bank of France have placed contracts at the disposal of their brokers in case supplies may be required, but they will depend chiefly upon the quantity now over due from Sydney and Melbourne, estimated at about £750,000. A few failures have recently occurred, but none of them are considered important, or as in any way indicating a general lapse in credit. Whenever the value of accommodation is maintained at a high elevation for a lengthened period, weak establishments suffer from contracted resources, and the consequences may be anticipated. The imports of the precious metals, since our last, have reached £2,045,705, against exports amounting to £2,436,000. At this season of the year, the arrivals from Australia are frequently retarded by the prevalence of easterly winds.

English stocks have fluctuated about one and a half per cent., and Consols, after descending to 92½, have rallied to nearly the highest point. Occasional symptoms of ease in the money-market have been apparent, but they have not proved permanent, and hence the range noticeable. The Chancellor of the Exchequer has given notice that the rate of interest on June Exchequer bills will be continued at the rate of 2½ *per diem*. Purchases of £30,000 a day by the Government broker, who is re-investing the proceeds of the Exchequer bonds lately held by the Commissioners of Savings' Banks, tend to keep the value of the unfunded debt in a firm position.

Foreign securities have been operated in only to a limited extent. From about 1 to 2 per cent. is the outside margin of fluctuation, and the dealers, having at first sold for a fall, are now purchasing for a rise. The market, at the latest moment, is in a firmer condition, but there has been little activity in business.



Railway shares have declined from the highest prices of the month, but, compared with the opening, they are about the same. There is more steadiness since the late "Bull" accounts have been closed, and the demand for money has not been so active. The inquiry has, nevertheless, been sufficient to cause full rates to be maintained.

Joint-stock bank shares have been heavy, but those of the Australian companies have principally suffered. Bank of Australasia and Union of Australia shares have been pressed forward, and reports are circulated of the probability of diminished dividends. Oriental Bank, London and Westminster Bank, and Irish Bank shares have been supported.

In the produce markets there has been a fair amount of business, and quotations for the principal articles have been well maintained. The demand for sugar has lately been checked.

The following are the fluctuations in the English and Foreign Stocks and Railway Shares during the month just concluded :—

	April 29.	Highest.	Lowest.	Price on May 28.
<b>ENGLISH FUNDS.</b>				
Consols ... ..	92½-92¾	94½	92½	93½-94
Exchequer bills ... ..	{ 5s. dis. to 1s. pm. }	6s. pm.	5s. dis.	4s. pm.
<b>FOREIGN STOCKS.</b>				
Brazilian ... ..	100½	101	99½	100½
Chilian ... ..	—	102½	102	102½
Dutch, 2½ per cent. ... ..	65½	65½	64½	64½
Mexican ... ..	23½	23½	22½	22½
Peruvian, 4½ per cent. ... ..	—	77½	76½	77
Russian ... ..	104½	106	104½	108
Spanish ... ..	41	42	41	42
Turkish, 6 per cent. ... ..	92½	95½	92½	94½
Ditto, 4 per cent. ... ..	99½	101½	99½	101½
<b>RAILWAY SHARES.</b>				
Brighton ... ..	110½	112	110	111½
Caledonian ... ..	69	74½	68½	72
Eastern Counties ... ..	11½	12	11½	11½
Great Northern ... ..	96	98	95½	96
Great Western ... ..	65½	67½	65½	66½
Lancashire and Yorkshire... ..	100½	102½	100½	100½
London and North Western ... ..	104½	106½	104	104½
Midland ... ..	81½	83½	81½	83½
South Eastern ... ..	74½	75½	74	75
South Western ... ..	100½	101½	98	98½
York, Newcastle, and Berwick ... ..	85½	87½	85½	86½
York and North Midland ... ..	64½	66½	64½	66½
East Indian... ..	108½	109	107½	108½
Northern of France ... ..	38½	39½	37½	38½

### THE GRAIN TRADE.

THE late seasonable weather will, it is thought, produce a marked effect upon the progress of the crops which had suffered from the chilly nights of April and the beginning of May. The supplies of grain at most of the



markets have decreased, and consequently there is a tendency in prices to recover. A great deal will depend upon the changes which may take place during the next six or seven weeks.

The *Gazette* returns for England and Wales have been :—

Week ending 1857.	Wheat. Qrs. sold.	Weekly Average.	Six Weeks' Average.	Duty.		Corresponding Six Weeks. Last Year.
				s.	d.	
April 25 .....	98,343 ...	53 2 ...	54 4 ...	1	0	68 8
May 2 .....	109,809 ...	54 3 ...	54 1 ...	1	0	68 7
" 9 .....	114,930 ...	55 10 ...	54 2 ...	1	0	68 2
" 16 .....	116,811 ...	57 5 ...	54 7 ...	1	0	68 1

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grain. Qrs.	Total. Qrs.
Thirty-nine weeks ended 15th April ...	3,353,908	2,601,941	5,955,847
Four weeks ended 13th May ...	116,188	322,509	438,697
	3,470,094	2,924,450	6,394,544

And the *weekly averages* have been :—

Thirty-nine weeks ended 15th April ...	86,000	66,000	152,000
Four weeks ended 13th May ...	29,000	80,000	109,000
	Less 57,000	More 14,000	Less 43,000

### THE STATE OF TRADE.

THERE is increased depression in the manufacturing districts, and short hours are frequently resorted to. The protracted stringency exercises an unfavourable influence, but the auspicious weather which has now set in will probably produce a more satisfactory alteration.

### NOTICES TO CORRESPONDENTS.

With great reluctance it has been found necessary to make the present a double number.

The arrears of the examination in the case of the Royal British Bank, with other important matters, have so swollen the contents that it has forced this alternative upon us. As we have given several extra sheets on previous occasions without making any charge, our readers will, we trust, bear the present innovation. We hope to avoid the publication of an additional double number until the usual period in November. One or two letters still remain in type.

We can only afford space for a condensed report of the proceedings of the Oriental Bank this month, but will give them more fully next. The report of the National Bank, also very satisfactory, is obliged to stand over. The Ionian Bank dividend is at the rate of 5 per cent., and the report appears to be regarded as encouraging.

J. W. W. (Poole).—The coin is of no value whatever. We cannot, for the moment, place our hands upon the date of the document alluded to.

VERAX. — The Chancellor of the Exchequer has intimated that it is the intention of the Government to introduce a measure during this session to regulate the construction of joint-stock banks, but he added that he could not say whether it would contain a provision applying limited liability to these institutions.



THE ENGLISH FUNDS.—Daily Prices from 25th April, to 26th May, 1857, inclusive.

	25	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	25	26	
Bank Stock, div 4 p.c. year	214	215	213	214	214	214	213	213	213	213	213	213	213	213	213	213	213	214	214	214	212	213	212	212	212	212	212	213	213	213	
3 per Ct. Red. Anns.	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	
3 per Ct. Consols Anns.	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	
New 3 per cent. Anns.	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	
New 3 1/2 per cent.	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	76	
New 5 per cent.	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	
Long Anns. Jan. 5, 1860	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	
Ditto 30 years, Oct. 10, 1859	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	
Ditto 30 years, Jan. 5, 1860	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	
Ditto 30 years, Apl. 5, 1865	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222
India Stock (div. 10 1/2 per cent.)	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	55 1/2	
Do. Bonds £1000 (div. 4 p.c.)	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	
Ditto, under £500	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	45 1/2	
Bank Stock for ac. 4th June	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
3 p. Ct. Cons. for ac. 7th May	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
Ditto for account 4th June	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Ex. Bills £1000, 3d. per diem	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par
Ditto, £500 do.	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par
Ditto, Small do.	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par	par
Ditto Advertised	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Ditto Bonds A 1858 3 p.c.	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Ditto under £1000	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Ditto B 1859 -	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Ditto under £1000	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98

St. Philip and St. James. — Holiday at the Bank.  
Stock Exchange shut by order of the Committee.

JOINT-STOCK BANKS.

	London	Latest Prices.
Australasia	£40 ab.,	60 d. £87 1/2
Bank of North American	50	50
Bank of London	100	50
Commercial of London	100	20
Colonial	100	25
City Bank	100	30
London and Westminster	100	20
London Joint Stock	50	10
Oriental Bank	50	25
Provincial of Ireland	100	25
National Bank	50	22
National Provincial of England	150	35
South Australian	25	25
Union of Australia	25	25
Union of London	20	10
London and County	50	20
London Chartered of Australia	20	20
Bank of India, & Austr. Chartered.	20	17 1/2
New South Wales	20	47 1/2
Bank of Egypt	25	18 15
Ottoman Bank	20	15

RAILWAY SHARES.

	COMPANY.	Price up	Price April 25.	Price May 25.
Caledonian	..	100	68 1/2	72
Eastern Counties	..	20	11 1/2	11 1/2
Great Northern	..	180	95	91
Great Western	..	100	66 1/2	66 1/2
London and Blackwall	..	13 1/2	6 1/2	6 1/2
London and Brighton	..	100	109	111 1/2
North-West	..	100	104 1/2	104 1/2
South-West	..	100	100 1/2	98 1/2
Midland	..	100	81	83 1/2
South-Eastern	..	100	73	75
York, Newcastle, & Berwick	..	100	85 1/2	86 1/2
York & North Midland	..	100	65	66 1/2

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows:—

## ISSUE DEPARTMENT.

	1857. April 18th.	1857. April 25th.	1857. May 2nd.	1857. May 9th.
Notes issued.....	£ 23,383,965	£ 23,308,485	£ 23,329,595	£ 23,567,945
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	2,450,900	2,450,900	2,450,900	2,450,900
Gold coin and bullion .....	8,908,965	8,823,485	8,854,595	8,992,945
Silver bullion .....	—	—	—	—
	23,383,965	23,308,485	23,329,595	23,567,945

## BANKING DEPARTMENT.

	1857. April 18th.	1857. April 25th.	1857. May 2nd.	1857. May 9th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,213,667	3,208,516	3,278,869	3,328,678
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts) ....	4,851,404	5,311,645	5,390,160	5,102,146
Other deposits .....	10,663,410	9,450,494	9,491,244	10,001,064
Seven day and other bills .....	761,986	725,655	755,370	740,646
	34,083,467	33,393,710	33,968,643	33,675,732
Government securities (including Dead Weight Annuities) ....	11,333,126	11,333,126	11,300,223	10,303,638
Other securities .....	18,404,357	17,730,004	18,410,823	18,630,357
Notes.....	3,649,320	3,519,830	3,553,365	4,226,245
Gold and silver coin .....	626,764	721,750	704,332	715,132
	34,083,467	33,393,710	33,968,643	33,675,732

## The Exchanges.

	April 9th.	April 17th.	April 24th.	May 1st.
Amsterdam, short ..	11 17	11 17	11 17	11 17½
Ditto 3 months..	11 19½	11 19½	11 19½	11 19½
Rotterdam, ditto ..	11 19½	11 19½	11 19½	11 19½
Antwerp, ditto ..	25 50½	25 50	25 50	25 50
Brussels, ditto .....	25 50	25 50	25 50	25 50
Hamburg, ditto....	13 8½	13 8½	13 8½	13 8½
Paris, short .....	25 30	25 23½	25 30	25 30
Paris, 3 months .....	25 73½	25 67½	25 70	25 70
Marseilles, ditto ....	25 73½	25 70	25 73½	25 73½
Frankfort, ditto ....	130	119½	119½	119½
Vienna, ditto.....	10 37	10 33	10 36	10 34
Trieste, ditto.....	10 39	10 33	10 37	10 35
Petersburgh, ditto ..	37	36½	37	37½
Madrid, ditto .....	49½	49½	49½	49½
Cadix, ditto .....	49½	49½	49½	49½
Leghorn, ditto .....	25 45	29 60	29 60	29 57½
Genoa, ditto.....	25 80	25 75	25 77½	25 75
Naples, ditto.....	48½	43	43	43½
Palermo, ditto .....	150½	150½	150½	150½
Messina, ditto .....	150½	150½	150½	150½
Lisbon, ditto .....	52½	52½	52½	52½
Oporto, ditto .....	52½	52½	52½	52½
Rio Janeiro 60 days' ditto	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£9 0 0	£3 17 9	£3 17 10	£3 17 9
(Standard) .....	0 0 0	0 5 6½	0 0 0	0 0 0
Mexican Dollars .....	0 0 0	0 5 1½	0 0 0	0 0 0
Silver in Bars (Stand.)..	0 5 12	0 5 1½	0 5 1½	0 5 1½



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTE.

## PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		April 18.	April 25.	May 2.	May 9.
	£	£	£	£	£
1 Andover Bank .....	17,751	11,669	12,643	12,127	12,108
2 Ashford Bank .....	11,849	11,055	11,800	11,074	11,785
3 Aylesbury Old Bank .....	48,461	31,457	30,270	30,214	30,240
4 Baldock and Biggleswade Bank ...	37,223	31,695	33,123	31,611	31,115
5 Barnstable Bank .....	17,182	10,664	11,243	11,522	10,711
6 Basingstoke and Odiham Bank ...	24,730	23,506	22,838	23,921	23,324
7 Bedford Bank .....	34,218	32,150	33,178	33,178	34,120
8 Bewdley Bank .....	18,597	11,133	11,118	11,335	10,603
9 Bicester and Oxfordshire Bank ...	27,090	14,880	15,056	14,738	15,308
10 Birmingham Bank—Attwoods & Co.	23,695	23,765	22,136	22,438	22,985
11 Birmingham and Warwickshire Bk.	18,132	8,875	9,104	8,779	9,074
12 Blandford Bank .....	9,723	7,065	7,615	7,743	7,630
13 Boston Bank—Garfit and Co. ....	75,069	64,009	70,672	73,777	79,590
14 Boston Bank—Gee and Co. ....	15,161	14,175	14,309	14,977	15,468
15 Bridgewater Bank .....	10,028	7,551	8,073	7,890	7,392
16 Bristol Bank .....	48,277	34,482	33,700	34,820	35,824
17 Broseley and Bridgenorth Bank ...	26,717	17,372	18,125	18,122	18,223
18 Buckingham Bank .....	29,557	24,013	24,177	22,174	21,874
19 Bury and Suffolk Bank .....	82,362	71,892	74,621	70,557	69,760
20 Banbury Bank .....	43,457	37,020	36,146	34,773	33,128
21 Banbury Old Bank .....	55,153	30,238	30,276	29,755	29,259
22 Bedfordshire Leighton Buzzard Bk.	36,829	37,708	36,578	36,737	34,623
23 Birmingham Bk.—Lloyds & Co. ...	38,816	34,185	32,283	30,665	29,233
24 Bradford Old Bank .....	12,676	12,376	12,555	12,515	12,584
25 Brecon Old Bank .....	68,271	57,441	55,635	57,865	60,503
26 Brighton Union Bank .....	33,794	20,050	19,324	18,922	18,428
27 Burlington and Driffield Bank .....	12,745	12,323	11,906	12,187	12,387
28 Bury St. Edmund's Bank, .....	3,201	3,168	3,130	2,968	2,888
29 Cambridge Bk.—Mortlock & Co.	25,744	15,899	15,066	14,517	14,181
30 Cambridge and Cambridgeshire Bk.	49,916	49,660	49,502	50,107	47,762
31 Canterbury Bank .....	33,671	29,445	30,668	31,564	30,574
32 Carmarthen Bank .....	23,597	21,290	20,770	20,235	20,247
33 Chertsey Bank .....	3,436	2,905	3,095	3,163	3,126
34 Colchester Bank .....	25,082	18,543	18,451	18,426	18,045
35 Colchester and Essex Bank .....	48,704	36,840	36,259	35,903	35,280
36 Cornish Bank—Tweedy & Co. ...	49,869	47,759	47,426	47,624	46,483
37 Coventry Bank .....	12,045	6,754	6,558	6,965	6,504
38 City Bank, Exeter .....	21,527	21,410	21,337	21,270	21,334
39 Craven Bank—Alcocks & Co. ...	77,154	77,186	76,579	76,510	77,139
40 Chepstow Old Bank .....	9,387	9,040	8,635	9,315	9,559
41 Derby Bank—Messrs. Evans .....	13,332	13,650	12,966	12,647	12,721
42 Derby Bank—Smith and Co. ....	41,304	38,825	40,325	42,497	42,985
43 Derby Old Bank .....	27,237	27,961	26,756	26,626	26,720
44 Devizes and Wiltshire Bank .....	20,674	7,842	8,316	8,229	8,349
45 Diss Bank .....	10,657	10,200	10,175	10,251	10,245
46 Doncaster Bank and Retford Bank	77,400	76,372	74,709	73,192	72,573
47 Darlington Bank .....	86,218	85,302	85,957	85,419	86,203
48 Devonport Bank .....	10,664	10,420	10,745	10,659	10,018
49 Dorchester Old Bank .....	48,807	49,502	47,247	48,640	47,953
50 East Cornwall Bk.—Robins & Co.	112,280	93,758	93,830	93,143	90,763
51 East Riding Bank—Bower & Co.	53,392	48,885	51,942	53,374	54,239
52 Essex Bk. & Bishops Stortford Bk.	69,637	46,988	43,800	43,327	42,965
53 Exeter Bank .....	37,894	26,743	26,151	25,077	24,765
54 Faringdon Bk. & Bk. of Wantage	8,977	8,101	8,052	7,701	8,120
55 Farnham Bank .....	14,202	11,508	11,332	10,558	10,515
56 Faversham Bank .....	6,681	5,817	5,862	6,358	6,633
57 Godalming Bank .....	6,322	4,835	4,770	5,280	6,036



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		April 18.	April 23.	May 2.	May 9.
	£	£	£	£	£
58 Guildford Bank .....	14,524	13,015	12,824	13,171	15,698
59 Grantham Bank—Hardy and Co.	30,372	30,057	29,588	29,721	30,362
60 Hastings Old Bank .....	38,038	30,967	29,630	29,390	29,162
61 Hereford City and County Bank..	22,364	20,186	20,060	19,101	18,306
62 Hull & Kingston-upon-Hull Bank	19,979	21,559	20,971	18,805	18,541
63 Huntingdon Town & County Bank	56,591	54,586	53,140	54,051	52,518
64 Harwich Bank .....	5,778	5,443	5,161	5,166	5,071
65 Hertfordshire, Hitchin Bank .....	38,764	35,162	33,897	33,512	35,076
66 Hereford, Ross, & Archenfield Bk.	27,625	24,522	23,425	23,086	23,398
67 Ipswich Bank .....	21,901	21,067	21,510	21,163	21,171
68 Ipswich & Needham Market Bank	80,699	65,708	64,625	63,789	63,350
69 Kentish Bank—Mercer & Co. ...	19,895	12,461	12,701	12,485	11,761
70 Kingston and Radnorshire Bank...	26,050	26,475	25,440	25,731	25,830
71 Knaresborough Old Bank .....	21,825	21,793	21,422	21,166	21,114
72 Kendal Bank .....	44,663	45,549	45,316	44,456	43,084
73 Kettering Bank .....	9,192	9,443	9,129	8,661	8,792
74 Longton Staffordshire Bank .....	5,624	5,379	5,299	5,281	5,348
75 Leeds Bank .....	53,357	56,620	53,339	51,510	51,156
76 Leeds Union Bank .....	37,459	37,039	37,045	37,380	38,112
77 Leicester Bank .....	32,322	30,797	31,159	31,339	31,027
78 Lewes Old Bank .....	44,836	27,055	26,629	26,065	25,718
79 Lincoln Bank .....	100,342	99,258	94,057	92,559	97,183
80 Llandovery Bank & Llandilo Bank	32,945	21,668	21,310	22,204	25,759
81 Loughborough Bank .....	7,359	7,299	7,443	7,410	6,998
82 Lymington Bank .....	5,038	3,880	3,671	3,757	3,790
83 Lynn Regis and Lincolnshire Bank	42,817	39,060	38,666	39,297	37,155
84 Lynn Regis and Norfolk Bank ...	13,917	13,670	13,882	13,291	13,600
85 Macclesfield Bank .....	15,760	15,482	15,625	15,357	15,505
86 Manningtree Bank .....	7,692	1,895	2,157	2,460	2,240
87 Merionethshire Bank .....	10,906	8,112	8,495	8,114	7,267
88 Miners' Bank .....	18,688	17,892	19,215	19,277	18,222
89 Monmouthshire Agricultural and Commercial Bank .....	29,335	28,982	28,640	29,109	29,408
90 Monmouth Old Bank .....	16,385	15,635	15,389	15,145	17,507
91 Newark Bank .....	28,788	27,020	27,450	27,163	26,189
92 Newark and Sleaford Bank .....	51,615	50,900	50,815	50,929	51,702
93 Newbury Bank .....	36,787	18,693	19,442	19,373	19,397
94 Newmarket Bank .....	23,098	20,488	21,191	23,561	23,245
95 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	49,312	48,720	47,501	47,120
96 Norwich and Norfolk Bank .....	105,519	108,882	104,436	95,627	97,840
97 Nottingham, Nottinghamshire ...	10,866	10,630	10,652	10,552	10,596
98 Nuneaton Bank .....	5,898	3,462	3,261	3,371	3,115
99 Naval Bank, Plymouth .....	27,321	24,190	23,610	24,191	23,355
100 New Sarum Bk.—Everett & Smith	15,659	9,553	9,964	9,499	9,527
101 Nottingham Bank .....	31,047	30,004	33,358	31,533	28,967
102 Oswestry Bank .....	18,471	11,515	11,349	11,959	12,115
103 Oxford Old Bank .....	34,391	31,650	30,335	31,410	32,742
104 Old Bank, Tonbridge .....	13,183	8,230	8,493	8,021	8,230
105 Oxfordshire Witney Bank .....	11,852	9,820	10,836	11,331	11,056
106 Pease's Old Bank, Hull .....	48,807	48,215	47,888	47,821	47,855
107 Penzance Bank .....	11,405	9,298	9,477	10,903	11,063
108 Peterborough Bank—Yorke & Co.	12,545	11,706	10,944	10,895	10,964
109 Pembrokeshire Bank .....	12,910	12,117	11,335	12,049	11,093
110 Reading Bank—Simmonds & Co.	37,519	30,027	29,775	30,370	30,325
111 Reading Bk.—Stephens & Blandy	43,271	31,425	31,413	31,495	32,215
112 Richmond Bank, Richmond .....	6,889	6,608	6,910	6,766	6,869
113 Rochdale Bank .....	5,590	4,180	4,241	4,231	4,256
114 Rochester, Chatham, & Strood Bk.	10,480	7,405	6,756	7,077	6,898
115 Royston Bank .....	16,393	15,578	14,758	13,304	12,875
116 Rugby Bank .....	17,250	10,669	10,389	10,795	10,125



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		April 18.	April 25.	May 2.	May 9.
	£	£	£	£	£
117 Rye Bank.....	29,864	13,170	13,544	12,686	12,510
118 Ross Old Bank, Herefordshire ...	4,420	3,862	3,607	4,330	4,291
119 Saffron Walden & North Essex Bk.	47,646	29,276	28,423	27,531	27,971
120 Salop Bank .....	22,338	16,424	16,042	16,774	16,765
121 Scarborough Old Bank .....	24,813	24,465	24,250	24,239	24,202
122 Shrewsbury Old Bank.....	43,191	42,967	42,054	41,811	41,666
123 Sittingbourne and Milton Bank...	4,789	2,489	2,820	3,104	2,954
124 Southampton Town & County Bk.	18,589	11,600	11,303	11,250	11,167
125 Southwell Bank .....	14,744	13,973	14,451	13,778	13,635
126 Southampton and Hampshire Bk.	6,770	3,190	3,178	3,231	3,362
127 Stone Bank .....	9,154	325	325	325	325
128 Stafford Old Bank .....	14,166	14,642	13,479	14,101	13,380
129 Stamford and Rutland Bank .....	31,858	33,424	32,564	30,250	30,348
130 Shrewsbury and Welsh Pool Bank	25,336	25,826	24,037	24,145	24,693
131 Taunton Bank .....	29,799	24,598	25,268	25,221	24,337
132 Tavistock Bank .....	13,421	10,316	10,043	10,440	11,457
133 Thornbury Bank .....	10,026	8,434	8,719	9,248	8,640
134 Tiverton and Devonshire Bank ...	13,470	11,630	12,142	12,654	12,675
135 Thrapstone and Kettering Bank..	11,559	11,449	11,568	11,317	11,535
136 Tring Bank and Chesham Bank..	13,531	13,498	13,683	12,908	13,361
137 Towcester Old Bank .....	10,801	8,490	7,991	7,820	7,835
138 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	11,502	11,874	11,945	11,563
139 Union Bank, Cornwall .....	17,003	16,545	16,488	16,525	17,059
140 Uxbridge Old Bank .....	25,136	14,861	14,510	12,285	11,454
141 Wallingford Bank .....	17,064	8,248	8,095	8,579	8,585
142 Warwick and Warwickshire Bank	30,504	25,564	25,423	25,066	23,866
143 Wellington Bank, Somerset .....	6,528	2,802	2,723	2,609	2,710
144 West Riding Bank .....	46,158	45,225	45,747	45,149	45,064
145 Whitby Old Bank .....	14,258	14,595	14,242	13,841	13,608
146 Winchester, Alresford & Alton Bk.	25,892	18,435	17,891	17,284	16,452
147 Weymouth Old Bank .....	16,461	15,659	15,116	15,000	16,379
148 Wirksworth and Derbyshire Bk.	37,602	37,017	37,453	36,257	36,661
149 Wisbeach and Lincolnshire Bank	59,713	60,300	59,963	56,442	54,803
150 Wiveliscombe Bank .....	7,602	7,011	7,221	6,667	6,810
151 Wolverhampton Bk.—Goodricke	14,180	12,922	12,735	11,789	12,900
152 Worcester Bank .....	15,463	4,989	5,265	5,028	4,876
153 Worcester Old Bank .....	87,448	65,261	65,191	64,955	61,611
154 Wolverham. Bk.—R. & W. Fryer	11,867	11,560	11,244	11,642	12,011
155 Yarmouth and Suffolk Bank .....	53,060	44,242	44,765	48,613	45,042
156 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,852	12,830	12,627	12,589
157 York Bank .....	46,387	46,773	47,267	45,127	45,569

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	10,520	10,621	11,463	12,030
2 Barnsley Banking Company .....	9,563	9,763	9,116	9,363	9,408
3 Bradford Banking Company .....	49,292	50,325	50,218	48,714	47,600
4 Bilston District Banking Company	9,418	8,541	8,611	9,335	9,592
5 Bank of Whitehaven.....	32,681	31,815	31,951	31,627	31,863
6 Bradford Commercial Banking Co.	20,084	20,509	19,273	18,591	19,673
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	61,355	59,570	59,987	59,990



**WEEKLY RETURNS OF BANKS OF ISSUE.**

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		April 18.	April 26.	May 2.	May 9.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	10,053	9,945	9,812	10,260
9 Cumberland Union Banking Co....	35,395	35,415	35,826	33,832	35,231
10 Coventry and Warwickshire Bk. Co.	28,734	36,837	27,761	28,431	28,247
11 Coventry Union Banking Company	16,251	16,820	17,553	15,350	12,205
12 County of Gloucester Banking Co.	144,352	123,325	123,087	120,643	119,070
13 Carlisle & Cumberland Banking Co.	25,610	25,515	25,035	25,895	26,007
14 Carlisle City and District Bank ...	19,972	19,388	20,646	20,563	19,307
15 Dudley & West Bromwich Bk. Co.	37,696	34,853	35,031	38,083	37,915
16 Derby and Derbyshire Banking Co.	20,093	19,483	20,410	19,396	19,832
17 Darlington Dist. Joint Stock Bk. Co.	26,134	27,496	26,196	26,100	24,417
18 East of England Bank .....	25,025	22,005	22,988	24,193	23,781
19 Gloucestershire Banking Company	155,920	157,496	156,781	150,202	148,926
20 Halifax Joint Stock Bank.....	18,534	18,958	18,750	18,003	17,758
21 Huddersfield Banking Company...	37,354	40,818	38,742	32,718	31,668
22 Hull Banking Company .....	29,333	26,180	25,901	24,879	24,539
23 Halifax Commercial Banking Co.	13,733	14,468	14,475	13,056	12,650
24 Halifax & Huddersfield Union Bk.	44,137	45,455	44,814	42,586	41,739
25 Helston Banking Company .....	1,503	1,410	1,517	1,485	1,446
26 Herefordshire Banking Company...	25,047	26,930	27,140	22,543	20,112
27 Knarborough and Claro Bk. Co.	28,059	27,537	26,855	28,046	27,706
28 Kingsbridge Joint Stock Bank ....	3,952	3,215	3,185	3,265	3,281
29 Lancaster Banking Company .....	64,311	64,355	63,585	62,026	64,345
30 Leeds Banking Company .....	23,076	22,971	22,871	23,078	23,238
31 Leicestershire Banking Company...	86,060	84,411	86,699	88,853	78,476
32 Lincoln and Lindsey Banking Co.	51,620	47,610	51,603	51,756	51,346
33 Leamington Priore and Warwick- shire Bank .....	13,875	11,571	10,504	11,264	12,104
34 Ludlow and Tenbury Bank .....	10,215	10,598	10,085	10,088	9,883
35 Moore & Robinson's Notts. Bank...	35,813	31,651	33,418	37,499	36,748
36 Nottingham and Notts. Banking Co.	29,477	29,266	27,932	29,675	29,545
37 National Provincial Bk. of England	442,371	423,573	418,870	422,367	427,050
38 North Wilts Banking Company ...	63,939	44,397	46,055	45,710	44,190
39 Northamptonshire Union Bank ...	84,356	84,238	83,239	83,739	84,886
40 Northamptonshire Banking Co. ...	26,401	23,815	23,481	23,059	22,763
41 North and South Wales Bank.....	63,951	60,272	61,888	61,155	60,627
42 Pare's Leicestershire Banking Co...	59,300	59,777	57,893	58,904	57,211
43 Saddleworth Banking Company ...	8,122	1,928	1,916	2,006	1,920
44 Sheffield Banking Company.....	35,843	35,437	37,180	36,781	33,130
45 Stamford, Spalding & Boston Bk. Co.	55,721	52,304	57,550	56,082	50,800
46 Stuckey's Banking Company .....	356,976	357,452	355,800	353,450	346,330
47 Shropshire Banking Company.....	47,951	48,812	48,559	45,166	46,692
48 Stourbridge and Kidderminster Bk.	56,830	56,911	56,067	56,799	56,253
49 Sheffield and Hallamshire Bank ...	23,524	23,245	23,468	23,655	22,225
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	53,341	53,073	52,108	51,304
51 Swaledale and Wensleydale Bank...	54,372	53,250	53,270	52,265	53,275
52 Wolverhampton & Staffordsh. Bk...	35,378	37,215	35,919	32,355	31,167
53 Wakefield and Barnsley Union Bk.	14,604	14,402	14,277	14,316	14,837
54 Whitehaven Joint Stock Bank ...	31,916	29,905	30,779	30,097	29,649
55 Warwick and Leamington Bk. Co.	37,124	35,533	33,179	31,690	33,609
56 West of England and South Wales District Bank .....	83,535	86,630	83,446	73,828	74,366
57 Wilts & Dorset Banking Company	76,162	78,098	76,190	74,244	68,804
58 West Riding Union Banking Co....	34,029	34,383	34,703	32,147	33,146
59 Whitechurch and Ellesmere Bk. Co.	7,475	6,205	5,695	6,157	6,360
50 Worcester City and County Bk. Co.	6,848	6,759	6,911	7,503	6,056
61 York Union Banking Company ...	71,240	69,565	69,739	69,289	69,065
62 York City and County Banking Co.	94,695	92,045	90,761	92,060	89,605
63 Yorkshire Banking Company .....	122,532	118,705	123,515	124,045	120,601



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	April 18.	April 25.	May 2.	May 9.
158 Private Banks.....	£4,513,092	£3,869,102	£3,843,107	£3,805,611	£3,807,788
63 Joint-Stock Banks..	3,303,357	3,207,517	3,202,118	3,163,367	3,117,859
221 Totals .....	7,816,449	7,076,619	7,045,225	6,968,978	6,925,647

*Average Weekly Circulation of these Banks for the month ending May 9th:—*

Private Banks .....	£3,831,402
Joint-Stock Banks .....	3,172,715

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above £7,004,117*

*On a comparison of the above with the Returns for the month ending 11th April last, it shows:—*

An increase in the notes of Private Banks, of .....	£71,594
An increase in the notes of Joint-Stock Banks, of .....	18,362
Total increase on the month.....	£89,956

*And, as compared with the month ending May 10th, 1856, it shows—*

A decrease in the notes of Private Banks, of .....	£99,500
An increase in the notes of Joint-Stock Banks, of .....	24,822

*Total decrease, as compared with the same period of last year .....* £74,648

*The following is the comparative state of the circulation, as regards the fixed issues—*

The Private Banks are below their fixed Issues.....	£681,690
The Joint-Stock Banks are below their fixed issues.....	190,642

*Total below the fixed issues .....* £872,332

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 9th day of May, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks, ending as above.			Average Am't of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	2,191,575	1,403,025	3,594,600	887,181
Provincial Bank of Ireland	927,667	441,297	613,005	1,054,302	383,740
Belfast Bank .....	281,611	87,602	384,263	471,866	271,196
Northern Bank .....	243,440	45,395	250,537	295,932	138,310
Ulster Bank .....	311,079	72,561	399,531	472,092	212,411
National Bank of Ireland...	852,269	643,908	622,483	1,266,392	604,302
TOTALS (Irish Banks) ...	6,354,494	3,482,338	3,672,844	7,155,184	2,497,140

### SCOTCH BANKS.

Bank of Scotland .....	300,485	123,910	256,023	379,933	159,967
Royal Bank of Scotland ...	183,000	86,384	150,168	236,552	118,978
British Linen Company ....	438,024	168,127	282,684	450,811	178,119
Commercial Bk. of Scotland	374,880	142,288	284,566	426,854	130,478
National Bank of Scotland..	297,024	103,551	205,800	309,352	73,498
Union Bank of Scotland and Banking Com. in Aberdeen	415,690	186,495	333,363	519,858	150,967
Edinburgh & Glasgow Bk...	136,657	63,442	89,523	152,965	51,927
Aberdeen Town and Co. Bk.	70,133	45,846	69,889	115,736	52,417
North of Scotland Bk. Co...	154,319	114,675	90,664	205,339	70,091
Dundee Banking Company	33,451	13,806	24,320	38,126	16,220
Eastern Bank of Scotland...	33,636	16,560	25,506	42,066	13,583
Western Bank of Scotland..	337,938	130,180	321,407	451,587	178,235
Clydesdale Banking Co. ...	104,028	43,577	99,475	143,052	62,041
City of Glasgow Bank .....	72,921	129,518	166,564	296,083	253,555
Caledonian Banking Co. ....	53,434	21,781	43,834	65,615	25,269
Perth Banking Company ...	38,656	15,052	29,411	44,463	23,231
Central Bank of Scotland...	42,933	18,548	35,893	54,442	30,131
TOTALS (Scotch Banks)...	3,087,209	1,423,740	2,509,090	3,932,834	1,588,707



# CIRCULATION RETURNS.

## SUMMARY OF IRISH & SCOTCH RETURNS TO MAY 9, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 9th May, when added together, give the following as the average weekly circulation of these banks during the past month, viz. —

Average Circulation of the Irish Banks... £7,155,184  
Average Circulation of the Scotch Banks 3,932,834

Total Average Circulation of these Banks for the past month ..... £11,088,018

On comparing these amounts with the Returns for the month ending 11th April last, they show—

Increase in the Circulation of Irish Banks £966  
Increase in the Circulation of Scotch Banks 100,349

Total increase on the month ..... £101,155

And, as compared with the month ending May 10th, 1856, they show—

Increase in the Circulation of Irish Banks £643,371  
Decrease in the Circulation of Scotch Banks 6,163

Total increase on the year..... £637,109

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows:—

6 Banks in Ireland, allowed to issue... £6,354,494  
18 Banks in Scotland, allowed to issue .. 8,067,209

24 Banks in all, allowed to issue..... £14,421,703

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue .. £600,690  
Scotch Banks are above their fixed issue 845,625

Total above the fixed issue ..... £1,646,315

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks £2,497,140  
Gold and Silver held by the Scotch Banks 1,568,767

Total of Gold and Silver Coin ..... £4,065,947

Being an increase of £3,608 on the part of the Irish Banks and an increase of £3,981 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

## CIRCULATION OF THE UNITED KINGDOM TO MAY 9, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 9th May, 1857:—

Circulation of Notes for the Month ending 9th May, as compared with the previous month:—

	April 11.	May 9.	Increase.	Decrease.
Bank of England .....	£19,332,763	£19,680,305	£437,540	—
Private Banks .....	3,739,808	3,831,402	71,594	—
Joint-Stock Banks .....	3,184,453	3,172,715	18,302	—
Total in England .....	26,147,026	26,684,422	517,396	—
Scotland .....	3,832,585	3,932,834	100,249	—
Ireland .....	7,184,378	7,155,184	966	—
United Kingdom .....	£37,133,889	£37,752,440	£618,561	—

The comparison of the month ending May 10th, 1856, with the month ending May 9th, 1857, shows a decrease in the Bank of England circulation of £366,500, a decrease in Private Banks of £99,500 and an increase in Joint-Stock Banks of £24,852; being a total decrease in England of £441,148; while in Scotland there is a decrease of £6,163; and in Ireland an increase of £643,371. Thus showing that the month ending 9th May, as compared with the same period last year, presents a decrease of £441,148 in England, and an increase of £195,961 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending May 9th, gives an aggregate amount in both departments of £9,631,984. On a comparison of this with the Return for the month ending April 11th, there appears to be a decrease of £47,563; and a decrease of £164,097 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 9th May, was £4,085,847; being an increase of £7,589 as compared with the return of the previous month, and an increase of £304,023 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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JULY, 1857.

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## BANKING IN HOLLAND.

HOLLAND, as represented commercially by Amsterdam its capital, may be truly described as more especially the land of banking and money dealing than any other country in Europe, or in the new world. There is not a merchant, and scarcely a shopkeeper in Amsterdam, and we may say Rotterdam also, that is not a dealer in money, and a jobber in stock values, domestic and foreign. They trade in bills of exchange as familiarly as in the particular products of home growth or foreign origin of which they are buyers or sellers; as apt and ready to discount a bill as to invoice a parcel of colonial wares, of madder or genuine schiedam. Loans, securities, and discounts are household words and occupations in the cities, for the skilful handling of which the people of all ranks and avocations are admirably fitted, by their staid, sedentary, persevering habits and peculiar genius. With the exception of London, there is perhaps no great mart of commerce in which more extensive transactions are carried on in bills of exchange, foreign and domestic, and in securities public and private of all descriptions, representing what are generally denominated money values. And it may be doubted whether *pro rata* of population there are in any country so many capitalists of sterling ability; or *per capita* so many accumulators of property; so many holders of public securities, home and foreign; so many savings' men in savings' institutions; so many individuals with a sagacious appreciation of the infinite, even infinitesimal advantages of putting out profits and savings to the best usance.

As we have indicated, every Dutchman above the mechanic or operative classes is a banker to a relative extent, or as



measured by his means. The grand pervading feature of the human mind in Holland would seem above all to be the conviction that capital, and money its representative, should be incessantly reproductive and recreative. With a soil by no means distinguished for natural fertility; with the ever-changing sea, ever threatening inundation, the Hollander contrives by dykes and dams of everlasting work and watchfulness to stem out the tide, and even to make that formidable, ever-hovering foe tributary to the cultivation and fruitfulness of the land, by its piscine and other contributions of fertilising manures; so that he is actually an exporter of native grown produce and provisions, cereals excepted.

Such being the facts, the almost total absence of banking institutions in Holland, as well as of parties professedly bankers and dealing exclusively in money and money signs, will be readily understood. Banking, like stock dealing, is more or less an habitual appendage to all and every other sort of trade. The master of the hotel where you take up your quarters for the time being is a banker, and will change your money for an agio, or discount your bill upon London or any other place, provided you can give, by references or otherwise, a good account of yourself: so far also, the hotel keepers in Germany as noted on a former occasion, have adopted the same line of practice. They are equally as conversant with rates of foreign exchange and agios as the Barings and Rothschilds, nor are they strangers to monetary combinations of a higher order. One of the greatest banking capitals in the world, without whose co-operation few financial operations of State importance or speculative enterprises of a magnitude to be measured by millions have been or still are undertaken, Amsterdam has but one special banking institution, which answers, moreover for the whole of Holland, and that is the Bank of the Netherlands, established so recently as 1814, on the dissolution of the first French Empire, and the re-integration of Holland as an independent state. Respecting its history and career, and the extent of its transactions, the notices readily accessible are but scanty. Like its more renowned predecessor, it is more specially, if not exclusively, a bank of deposit and for savings under State control, but not a bank of issue, although under exceptional circumstances hereafter to be referred to, it was empowered sometime since to make a temporary issue of paper money to a limited amount. Banking, or rather State banking, in Holland extends, however, to a much more ancient date, and as in its leading principles and practice it may be said to lay at the foundation of the great existing institution, the history and antecedents of the first



bank cannot but afford some insight into the system and action of the present.

The great original Bank of Amsterdam was created on the 31st of January, 1609, by authority of the States General of Holland, then a Republic under the headship of a stadtholder. It was the third in the chronological order of banks originated in the middle ages, the first of which, the Bank of Venice, was instituted in the year 1171; the second, the Bank of Genoa, in 1467. By one of the statutes of its foundation it was ordered that all bills of exchange of 600 guilders and above (the guilder 1s. 8d.) should be paid in "money of the bank," (we are quoting from an anonymous writer who has the air of authority); a condition so hard, it is added, that in 1643 it was modified and reduced to the minimum of 300 guilders. In what consisted the quality of this special "bank money" we do not find explained. But it would seem that paper money could not be meant, that is bank notes payable to bearer, because in that early era of banking progress we have no sufficient evidence of the existence of any paper currency, whilst it would have been against all banking rules of self-interest to require the payment of bills in the bank's own notes, if any. It is probable, therefore, that the "bank money" meant coins of gold or silver, or both, of a special type, tale and purity, or it might be of ingots and bars with the bank's impress. It could not have been a bank of issue as now understood. But as a bank of deposit and savings it became famous. Against deposits it delivered certificates transferable on payment of a small charge, and by virtue of a license to be renewed yearly. Individual depositors could withdraw their deposits on payment of 1s. 8d. per cent. for safe keeping. Coins were accepted only on the condition of an agio of five per cent., and deposit accounts were opened only on the payment once made of a premium of 10 guilders. From these facts it would appear that deposits were usually made in bars and ingots, the value of which was determinable by weight and tale.

The Bank was closed twice a year, at the end of January and July, to make up accounts and strike balances. The dates of closure were publicly advertised, so that the interested parties should make up their accounts opportunely, a rule vigorously enforced, and the neglect of which subjected the defaulter to a fine of 25 guilders. The merchants and depositors were thus constrained to a strict regularity in return for the guarantee of their funds by the city of Amsterdam, which was responsible for the amount of the deposits. The funds deposited were sacred from seizure, except in the case of the declared insolvency of the depositors.



It results from this outline that the rules of the bank were very simple and intelligible, and that its profits consisted chiefly in the slight, but often repeated charge, whether upon transfers, balances, or various other operations. Its faith and inviolable respect for the sums deposited in its vaults were proverbial in Europe, and not the slightest doubt was entertained of the solidity of the capital entrusted to its care, till the invasion of the French in 1794 led to the discovery of a deficit of about 10 millions of guilders, which had been loaned by the board of management without the knowledge of the proprietary. This grave circumstance led to an instant depreciation of 15 per cent. in the shares of the bank, and was the principal cause of its ruin. It was shut up in 1796. Such is the history, such was the catastrophe, of the first great Bank of Amsterdam, to the honours of which, errors excepted, the present Bank of the Netherlands has succeeded.

In the notice of this bank, we adverted to the fact that though not professedly a bank of issue, or as such generally empowered, it was exceptionally so qualified, in 1853, for a special object, and to serve a temporary necessity. The circumstances were these. By a law in 1816 a double standard of gold and silver coinage was decreed in Holland, at certain and interchangeable relations of value; say 1 of gold to 15 and 873 thousandths of silver. Various circumstances having led to the continuous exportation of the silver guilders, a commission was appointed by the King of Holland, in 1836, to investigate and report upon the causes of the same. The members reported on the impossibility of maintaining a double standard, recommending preferentially the return to a single, and a silver standard as most in accordance with the traditions and conveniences of the country. This was in 1839. In 1845 two laws were passed in accordance, but they were not acted upon decisively and definitively until 1850, by virtue of a more peremptory enactment, decreed in the latter end of 1849. The discovery and the production of the Californian gold mines had awakened the alarms of the government as to the possible depreciation of the gold circulating in the country, and which as coin was to be demonetised. On calling in the gold coinage for replacing it with silver as the standard, which in great part had to be purchased abroad, it was necessary, *ad interim*, to supply an inconvenient vacuum in the circulation so created by the comparative scarcity of one, and the withdrawal of the other coinage; so the Bank of the Netherlands was provisionally authorised to issue special bank notes during this complicated operation, and to facilitate its execution, for 30 millions of



guilders in amounts of all sizes, down even to 1 guilder (1s. 8d.); although in reality none for less than 5 guilders were issued. This extraordinary enterprise happily completed, all the notes so issued were recalled from circulation and annulled. That operation cost the government 10,165,000 guilders, or say not much short of £900,000. Upon 173 millions of guilders in gold coin bearing the state impress, no more than 50 millions were returned to the mint for exchange; whilst 96½ millions of a new silver guilder coinage were issued, and 86 millions of the old silver metal were called in and taken out of circulation.

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#### JOINT-STOCK BANK LEGISLATION.

THE last act for the regulation of Joint-Stock Banks is generally admitted not to have answered the intention with which it was framed, namely, the prevention of fraud and the protection of the public. This may be accounted for by the circumstance that some of the provisions, though plausible in theory, are cumbrous in practice, and though intended to restrain evil, have sometimes the effect of preventing good.

The subject may, however, be revived at an early date, and probably sounder views may be arrived at from the consideration of the causes leading to the enactment of 7 and 8 Vict., cap. 113 (7 and 8).

For a long time it was not permitted for more than six persons to be associated together in the business of banking under any circumstances whatever. When, in 1825, public alarm was excited by many banks suspending their payments, it was thought proper to allow the formation of banks with a large number of partners, and the legislature passed an act whereby such partnerships might be formed, entitled "An Act for the better regulating co-partnerships of certain bankers in England," 7 George IV., cap. 46.

The regulations of this act had more especial reference to banks formed in the country, and some of its enactments were evidently framed with a view to preserve to the Bank of England a monopoly of the circulation of bank notes. As this question of issue has subsequently been practically set at rest by the enactment regulating the Bank of England issue, prohibiting the formation of new banks of issue and restraining the issuing banks at the time of its passing, it is unnecessary here to go into this branch of the subject, as it is intended to consider the question merely with respect to the regulation of banks upon other points, which indeed is now all that concerns the public, and the banks themselves. The act in question went upon the supposition that it was desirable to allow the associating together of a greater number of partners than six for banking purposes; but it was competent for the number to be decided by public convenience, or private interest; the latter generally in matters of business accommodating itself to the wants of the former. There was a freedom of action



allowed under it as to the number of persons and the mode of their management.

Regulations were made as to the recovery of debts by or from such partnerships, which subsequent experience was called upon to modify and improve.

The law of partnership generally required some adaptation to a new state of things, and on the whole it came to be pretty well suited practically to bankers under the act, when circumstances led to the enactment of the last act, called "The Joint-Stock Bank Regulation Act," 7 and 8 Victoria, cap. 113.

It may here be stated, at once, that the only legislation which was necessary for bankers and the public on the subject, had been nearly attained; and that while certain points were desirable for both these being secured, the safer course would have been to have left all the details of management, capital and the like, to be regulated by the demands of commerce, upon the broad principles of free trade; to leave the banks to conduct their business, in such a manner as circumstances might dictate, and to allow the public to exercise their own discretion as to the confidence they might choose to repose in them.

Legislation was required to provide a mode whereby the banks could easily recover their debts, and whereby the creditors of banks could have an equally clear remedy. The law was only required to give such facilities as would place associations of more than six partners in exactly the same position as partnerships of less than six, without either advantage or disadvantage.

It happened, however, that when such extended partnerships could be formed, speculative persons were induced to establish some which were neither adapted to the wants of the commercial public, nor sound in their foundation; and while prudent persons avoided them, the cupidity of certain portions of the public induced them to join them. In some cases much loss was entailed, for which those who suffered had, in many instances, to thank their own credulity, while the experience of the errors which led to such evils was acting as a sure corrective against their recurrence. But, as in some cases, the associations had numerous members, an outcry was raised that the mischief could be put down by legislation, and a demand was made to prevent, by an act of Parliament, reckless speculation, forgetful that legislation can neither confer honesty nor ability. It was sought to restrain, by multiplied restrictions, derelictions from honourable dealing, and those who, in the flush of apparent prosperity, had been so blinded as not to see the instability of concerns whose bases were insecure, cried out when the day of reckoning came, for deliverance from the consequences of their own imprudence.

The cry prevailed; and legislation was granted; but had the wants of the public been left alone, as they might have expected, when around them and on every side the cry of free trade had arisen, in all probability fewer evils would have been endured than have since been undergone.



At the time of passing the act of 1844, the banking of the country was particularly sound, and the commercial public, left to its own correct judgment and common sense, had introduced such practical good management, as to insure success in the majority of cases. It had been discovered that many of the indiscretions from mismanagement had arisen from misplaced confidence in incompetent persons, and that systems, and theories, and promises were of small avail, where integrity, prudence, experience and capacity were absent.

While, therefore, free trade was publicly proclaimed as a principle, banking was subjected to a series of restrictions, which have practically operated against the formation of country banks, while they have not prevented the mischiefs entailed by the Royal British Bank, nay more, when in all probability had the act of 1844 never been passed, it would have been much more difficult than it was, to have established such a concern. If other banks in London are now flourishing, which are formed in compliance with this act, it is because the course of trade supports them, and they are prosperous, not in consequence, but in spite of the act. It is to be premised, that all banks in existence at the time of its being passed, were left undisturbed to carry on business under the acts already in force, so that even now, comparatively few have been formed under its enactments. The chief mistake committed by it, is the providing for minute details of management, which are best left to the arrangement of practical persons; and the consequence of which has been to preclude those who see the practical difficulty of carrying out some of its provisions, attempting to conduct banks which must be subjected to its operation.

The first mistake which has been made in its provisions, is, that not content to make general regulations, whereby more than six persons may be associated together for the purposes of banking, it offers no facilities for anything but a pre-supposed large joint-stock company, so that no alternative appears between a partnership not exceeding six, and not under the act, and a large establishment not adapted to any particular locality or any special circumstances, but bound to comply, or it may be, appear to comply with the enactments of the statute.

But for the present waiving the question of the policy which will recognise no middle course, which will provide no means for twelve or twenty persons of solid property joining together for banking purposes, but pre-supposes that no bank ought to exist without a certain compliance with its regulations—let some of its obligations be considered with reference to this practical bearing and its effects.

In the second clause of the act it is stated to be necessary for a petition to Her Majesty in council to be presented, praying for letters patent under the act, and in the third clause it is provided that this petition be referred to the Board of Trade, who are merely to report that the provisions of section 2 have been complied with. After this letters patent may be granted.

Now the petition and reference are both of small practical value in



a matter of trade or business. If a particular locality presents a fair field for operations of business, is it not contrary to all free trade principles to render it necessary, before commercial intelligence shall take advantage of a sphere evidently open, that a reference so vague shall be required? Are not the persons in a country town who wish to lay out their capital in banking, much better qualified themselves to judge of the propriety of the undertaking than any Committee of the Priy Council can possibly be supposed to be? They will not pay down their money without some direct probability of an adequate return, and can it be supposed that a board of noblemen and gentlemen at a distance from the locality, and unacquainted with its circumstances, can afford the public any better security from mismanagement than their own common sense and practical acquaintance with their own neighbourhood? Here is a great fallacy, the lodging of the power of decision in the hands of a board, at a distance from the sphere of action, instead of leaving this to the understanding of those who are willing to put their money down for purposes of banking. What would be said if before a butcher began business in some particular locality he had to state how many oxen and sheep he had ready for slaughter, and this without reference to the appetites of his neighbourhood, or the demands upon others already established. In such a case it appears ridiculous and absurd, but why should persons who are going to establish a bank, be required to consult the Board of Trade, and to have their consent, when they themselves are the best judges as to what may be required for the purposes of their intended business?

The requiring a certain amount of capital stock by a specific act of legislation is taking from the company the power of exercising a sound judgment as to the legitimate demands of trade and commerce. But as this fallacy has been enacted, it has another superadded by clause V, section 2, "amount paid up and how invested." The fact of a certain amount of capital being paid upon, alleged to be paid up, is no security for the sound discretion and correct judgment of those who declare that it is so. Could the mere fact of a certain amount of capital being for a short time collected together confer banking information or commercial experience, then there might be some reason for such a clause; but after it has served its purpose for obtaining a charter, there is no security for the subsequent safe investment of this capital, except the good judgment of those who have collected it together. Mere compliance with this regulation, then, proves nothing. Rogues may do so to-day, and lend it to themselves to-morrow; the only safeguard is that the parties associated together have joined for purposes of profit, and then they require no directions from an act of Parliament, as their own judgment will lead to a sound conclusion.

The provisions in section 4 require certain matters to be embodied in the deed of settlement which enter a great deal too much into detail. It is very remarkable that no sooner do one or two new banks arise in



the city of London, than sound commercial common sense rebels against one particular clause so very strongly, that a special act of Parliament is proposed and passed to alter and do away with it. It was provided by Clause IV Sect. 4 that at least one fourth of the board of directors should retire annually, and should not be eligible to be re-elected for the space of one year. But so inconvenient was this in practice, from its necessarily depriving the bank of certain counsel and advice, that a special act of parliament (19 & 20 Vict. Cap. 100) was passed, on purpose to relieve the London banks from its pressure, which was found to be insupportable in practice, and which proved, if evidence were wanting, that the whole detail of management had better be left to those who are concerned in the administration of banks, without regulations forced upon them, which only impede their operations.

In section 4 it is further provided that there shall be a monthly publication of assets and liabilities. Of all the insane enactments regarding trade and commerce, this seems to be the most astonishing. In a country town where there is an active business, and where two or three country banks have carried on with success a respectable business, it occurs to some of the residents, that there is room for another bank. As they are more than six in number, they are obliged to be registered under the Banking Act. They open their bank,—their business is one of secrecy and confidence, but the act requires them to state the amount of their assets and liabilities, and publish them periodically. What protection this enactment may secure to the public, it is difficult to conceive, but one thing is certain, it exposes their business to the other bankers in the town, who, by recording the various accounts so publicly rendered, may see the state of the bank, and may even trace the very individuals who may have resorted to the new bank; and this entirely by comparing the published accounts with their own books. Only one country bank has been founded under this act, and that was in progress, and so far established when the act was being passed that it could not recede. But where is the practical banker who would wish to manage a new bank subject to this very absurd regulation?

In consequence, for twelve years no banks have been established in the country under this act, and this enactment which seems to have been made with a view to public security, has prevented wholesome competition arising upon mercantile principles; and when the trade of the country has been increasing, has placed a most effectual obstacle to a corresponding increase of banking facilities.

The publication of accounts by this enactment is no security against fraud. What can the public learn from the figures furnished by a compliance with the law? Did not the Royal British Bank fulfil this law? Why do the shareholders find fault? Because the legislature attempted to teach them that an act of Parliament was sounder than the confidence reposed in mercantile integrity; and they, surrendering their own private judgment, chose to consider that figures were to be depended upon when character was wanting. If, without publication, they had been left to think for themselves, they might probably have



escaped the difficulty. Whatever statements are published by banks ought to be perfectly voluntary, and it is to be remarked that many bad banks have published very good statements.

This could be easily substantiated by reference to many cases; but one instance may be mentioned, of a bank which published to its shareholders at their annual meeting, a statement shewing a surplus of £8,000, and within a month after stopped payment; and being in consequence wound up, the result was that the whole capital was lost, and an additional call had to be made on the shareholders, and these together amounted to £325,000, out of which a very small fractional sum was returned. This case happened before 1844, and the only difference between accounts rendered for the sake of recommending the concern, and such as are now imposed by law, is, that the latter would have afforded them facilities for expressing an apparent prosperity that would have procrastinated their stoppage, which event was hastened by the want of confidence in the persons who had the management of the concern in question.

That the accounts of a bank or any other mercantile concern, should be periodically made up and audited, is so palpably true, that some provision would naturally be made by commercial men to accomplish this end without any enactment whatever. Yet a special clause of section 4, is devoted to this point, directing only that an audit is to be made, but not providing for the intelligence or competency of the auditors.

Some of the regulations of section 4, seem to be framed in complete ignorance of what is daily doing. Among others, the section enacts that no advances are to be made by a bank to a shareholder on the security of the banks shares. Now, although it is quite true that shareholders in a joint-stock bank should not borrow from the bank on the security of their shares, and of the propriety of such a general principle, every practical banker is aware, yet by a special enactment, to take away the lien which custom has habitually given the bank over its own shares in transactions with its own shareholders, is only to demonstrate how little the framers of the act understood what they were doing. In fact, this very clause has been repealed as far as Scotland is concerned, by a special act passed for the purpose (17 & 18 Vict., cap. 73), whereby it was determined that no clause directed by the said acts (7 & 8 Vict., cap. 113, and 9 & 10 Vict., cap. 75), to be inserted in the Deed of Partnership of any Joint-Stock Bank in Scotland, to be executed previous to such company being incorporated under the recited acts, shall take away the retention or lien, which in virtue of the common law of Scotland, such company has, or may be enabled to exercise over the shares of its partners, for or in respect of any debt or liability incurred, or obligation undertaken by them to the company. The lien referred to has in England been usually inserted in the deeds of settlement of banks, and this has been done as a practical result of banking experience.



A few more of the regulations enforced by section 4 are quite necessary to a certain degree; the fallacy is in inserting them in the act, as what is good and desirable would always be attained by commercial men assembled together for business purposes, while there are difficulties imposed by the act endeavouring to dictate too precisely what ought to be done.

Section 5 provides that all the shares should be taken up, and that the deed should be signed by all the shareholders. This might be a hindrance to a respectable company who might wish to reserve a portion of their shares for appropriation, as business progressed, while to a bad company it would oppose an obstacle by no means insuperable. It is the conception of a person in his study, not conversant with commerce, and unskilled in the ways of the world. The more especially as it resolves that one half shall be paid up before commencing business, but does not specify how this important end is to be accomplished. A company, framed by persons without character, would assert anything; while a bank to be founded by honest men would be abandoned, on account of the clause insisting upon conditions with which it would be difficult absolutely to comply.

It is worthy of remark, that notwithstanding the power given by this act for existing banks to avail themselves of its provisions, not one has yet chosen to do so; and it is not to be wondered at, when the excess of legislation here imposed, from which they are at present exempt, is taken into consideration.

This act provides for the registration of the names of the partners in due form, which is highly useful, while 7 & 8 Vic. cap. 32, commonly called the Bank Charter Act, directs their publication. This latter publicity lets it be known who are the partners in any bank. An inspection of such lists, especially those of banks with a very large number of partners, tends to shew that many persons of very limited means are allowed to join some of the more recently formed banks—a circumstance which does not always contribute to their strength. In the formation of some banks in the country, care has been taken only to assume partners who were of good means, influence or business connection, for the purpose of strengthening the bank in a twofold manner; first by the actual possession of wealth, and secondly by an accession of business. But in some companies there is a number of spinsters, widows, professional persons, such as clergymen, surgeons, and dissenting ministers, whose chief object is an investment, from which frequently a considerable portion of a small livelihood is expected to be derived—attorneys are not frequently found, from their legal knowledge of their responsibility—these seldom strengthen the bank commercially, as may be seen from the winding up of the Royal British Bank, where the limited means of this class are soon exhausted, and the public security is consequently lessened. Now, in the cases of the Northern and Central Bank, in 1836, the Commercial Bank of England in 1840, and the Bank of Manchester in 1842, the number of substantial shareholders was such as to pay every one in full; the class



involved were a richer and more substantial set of men. But looking through the returns of some of the more recently formed banks, the tendency of allowing persons of very small means to join is evidently on the increase.

This class of persons are very desirous to become bank shareholders, although they are the first to cry out when any damage is sustained; yet they are the most eager applicants for shares, and the most clamorous for high dividends. They are by no means good judges of the state of a bank's affairs—for although the published accounts that the Royal British Bank laid before its shareholders had convinced every reflecting person for a long time before its stoppage, that there was something wrong about its affairs; the shareholders appear to have been well satisfied till the very last. Legislation cannot protect such persons, though experience may, and it is only brought forward to point out the tendency in the public mind to be prepared to credit any report, however vague, when accompanied by assertions of prosperity and promises, however false, of large profit. Experience proves that in such cases persons are to be found to humour the popular prejudice, even to the ultimate loss of those concerned. And although it is by no means intended to justify the coloured statements of the directors of an insolvent concern, yet it is to be remembered they told their falsehoods to persons who willingly believed them because they were plausibly prosperous, while had a wise man arisen to point out their fallacy, he would not have been endured, and if allowed to be heard at all would not have been believed.

## SHOULD INDIA HAVE MORE GOLD MONEY ?

BY AN INDIAN BANKER.

THE histories of nations in a financial point of view shew that between gold and silver there has always existed a species of rivalry, and that the comparative value of the two metals has been determined in a great measure by the quantity of each produced. When we find that this rivalry, by means of the increased production of gold, waxes stronger, and that the struggle for supremacy increases, it becomes the more necessary to determine whether a gold currency or a silver currency is of the greatest importance to a country, and which in consequence it is most desirable to maintain and promote. As long as silver continues almost the only circulating medium of India, the drain from this side is likely to continue. If the two metals are admitted to equal privileges, gold will have the preference, and silver will disappear. Let us, therefore, enquire into the comparative merits of the two metals, as applied to money circulation in India. A country may be called rich in proportion to the extent of its useful productions, whether for consumption at home or for export to other countries; or it may be rich in the possession of the wherewith to buy what it requires from its neighbours; and it may be both.



England is rich both in useful productions and manufactures, and in the means of purchase from other countries;—on this account prices are higher in England than in less wealthy nations. The scale of prices for commodities must always determine in a great measure the kind of money best suited for the country in which it is to circulate; and its quality, as compared with the money of other countries, will either, under ordinary circumstances, prevent its egress or cause it to be withdrawn.

India is a country possessing great natural resources, but not rich in the usual acceptation of the term, because its resources have only been partially brought into use; neither is it rich in the means wherewith to buy from other countries, its intercourse with which is comparatively limited. Hence India is a country of low prices as regards its native population and what is consumed at home.

A rich country like England reckons in gold pieces fifteen times the value of silver of corresponding weight, but through the agency of silver distributes its gold pieces in detail, as the wants of the community require; gold being the standard of value or basis of the structure.

A country like India, with its natural resources only partially developed—its trade with other countries limited—its manufactures of minor importance—its population making use of the precious metals in a great measure according to aboriginal custom, silver being most in demand—cannot be in a state to assimilate itself to a country like England by adopting such “badge of wealth” as a gold standard. On the other hand, it would be unwise to prevent India from participating in the increased production of gold and consequent extended commerce such increase is calculated to bring about by the total exclusion of it as a circulating medium.

It must be borne in mind in reviewing the question, that the debt of the country has been contracted, and is payable in Company's *silver* rupees. To substitute, therefore, a currency of already declining value (relatively considered) for one, the value of which is in the ascendant, would be an act of injustice to the public creditor. Gold being the more convenient metal of the two, is doubtless to a certain extent, calculated to displace silver;—it could not therefore be allowed to circulate in a country where a silver standard is desired to be maintained, except under restrictions, and in limited quantities.

The gold circulation of India (consisting of 15 rupee pieces, principally of the standard of 165 grains pure gold and 15 grains alloy) has never taken a prominent part in the monetary system of that country, partly on account of silver, as previously stated, having been found better adapted for the purposes required, and partly on account of its not being a legal tender, nor recognised by the government as the standard currency. There is every reason, however, to believe, that in periods antecedent to British rule, and before the discovery of the South American mines, the use and value of gold was more generally known, both in India and other parts of the east, and that in the



relative values of the two metals, silver was rated much higher than it is at the present time, or has been since the period above referred to, of increased supplies of silver.

The silver producing mines might still have been adequate to the wants of nations, had the gold discoveries of California and Australia not taken place; but the vast increase of gold, and consequent increase of the purchasing power, has not only enlarged the sphere of commercial and trading operations, but in place of making silver, as might have been supposed, less necessary, has caused it to be more in request. Gold pieces being divisible into silver, the more the circulation of them is increased, the more silver must naturally be required to resolve them into, as long as both metals retain their present relative value as money. Hence where gold has found its way into countries having a silver standard, and entered largely into circulation (no restrictive measures having been imposed), a scarcity of silver has been the result.

The annual production of silver, prior to the gold discoveries, may be estimated at nine to ten millions sterling, that of gold at five or six millions. The annual production of gold cannot now be less than twenty-four millions sterling from all sources. This sudden change in the relative supplies of the two metals, is undoubtedly calculated to effect a great change in their relative values, and must eventually do so, if viewed in the light of merchantable commodities. It being, moreover, a natural inference, and in accordance with received principles, that abundance should lead to depreciation in value of any commodity. The relative values of gold and silver to each other, would be determined by the same laws, were they viewed in the light of articles of merchandise; but as long as a fixed value, or purchasing power, is attached to a certain weight and purity of each metal, they cannot, in their relative monetary value, undergo any change in countries where such monetary laws prevail; the abundance or scarcity of the two metals as money may affect other commodities, and more or less of such commodities may be given in exchange for them, as circumstances regulate; but towards each other, no fluctuations of the kind can alter their position. Hence, if the production of gold was ten times more than it is, its monetary value at the mint, whatever it might be at the mines, as compared with silver, would not be changed, as long as an ounce of gold was established by law as equivalent in value to £3 17s. 10½d. in gold, silver and copper coins, or a piece of gold bearing a certain impress equal to twenty pieces of silver of a certain weight and fineness—each metal being received at the mint for coinage at a fixed value, and issued to the public under a similar regulation.

When the gold and silver moneys of a country come to be exported to another, they then assume the character of merchandise, though, as with dollars, they may acquire an almost universal currency and their relative value will be regulated by the monetary laws of the country importing. The silver money of France, for example, is imported



into England at a price per ounce, and gold is taken into France, in a similar way, as merchandise—but when coined into the money of the country importing, they acquire a fixed standard value. The silver exported hence to India, is, by the same rule, a merchantable commodity until it arrives there, and is coined into rupees and acquires a fixed monetary value, consistent with the currency laws of that country. Were gold a circulating medium of India, recognised by its laws, the relative values of the two metals as money, would be determined as in England, but gold not being a legal tender in India, its value is, what it will fetch in the bazaars; which rises and falls with the supply and demand.

In allowing a more free circulation of gold in India, the difficulty to contend with would be the probable displacement of silver—as long as the gold coins were looked upon as merely representing so many silver rupees, the standard of value would still be the rupee, in which case there could not be what is generally held as objectionable a double standard. The gold coinage would, as it were, be subservient to the silver, in the same way that bank notes are subservient to gold or silver money as the case may be.

The term “double standard,” implies the circulating of two kinds of money with equal privileges, as gold and silver, both being declared current coin of the realm, and a legal tender for all payments, the one co-ordinate with the other. To this, in some respects, there could virtually be no valid objection, if the two metals, whatever they might be, possessed no superiority—the one over the other—on the contrary it might sometimes be advantageous to have such double standard, should a scarcity of one or the other occur. With gold and silver, however, at their present relative values, this is incompatible. The former being the more convenient and less bulky metal of the two, will always be preferred except in detail; and on all occasions where it has the opportunity, asserts its own supremacy. England is said to have gold standard, because silver is a legal tender to the extent of 40s. only; therefore, whatever may be the pecuniary arrangements of the country, or of individuals in excess of 40s., they resolve themselves into the higher denomination of money, gold £'s sterling. If silver was a legal tender in England to an equal extent, it would not, in all probability, be more plentiful for general circulation than it is now, for the reasons stated above, though it might assist the bank of England in times of pressure and scarcity of gold, to pay in silver as well.

Supposing it desirable to have a more free circulation of gold in India, before any change takes place, the real relative values of gold and silver to each other in the market of the world, should, if possible, be ascertained, and the value of the gold coins of India regulated accordingly, that is to say, if gold as a commodity has fallen below the proportion at which it has been rated for some time past with reference to silver, viz., about 15 to 1, a correspondent reduction should take place in the legal value of it as money, the standard being so kept up,



that it would not be attracted to India in too large quantities, again, silver by reason of such depreciation in the other metals, would be raised in value, and continue to be attracted to India.

As a practical illustration of this, let it be assumed that gold coins are minted for circulation in India, of the declared value of 10 silver rupees of the standard of the present mohur of 165 grains fine, 15 grains alloy, or to meet the case of the 10 rupee piece, this would give

110 grains pure gold.

10 grains alloy.

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120 grains.

as the component parts of that coin, equivalent in legal value to ten silver rupees of corresponding fineness. This is the same as the English standard of 11/12ths or 22 carat fine, and 1/12th or 2 carat alloy. The English silver standard is, however, superior to the Indian, being 2 dwts. in the pound finer, measured by which scale even the Indian gold and silver coins are relatively higher than in England. The Indian coinage being of the same fineness as the English, and the silver coinage being 2 dwts. in the pound worse, it follows that, as compared with English standard gold and silver, the two metals are not rated in true proportion, an ounce of Indian standard gold is coined into 40 rupees or 2 mohurs 10 rupees an ounce of Indian standard silver is coined into 2 rupees, 10 annas, 8 pice, which is a value of exactly 15 times in favour of gold; an ounce of English standard silver is coined into 5s. 6d.; an ounce of English standard gold into £3 17s. 10½d., which gives a proportionate value of 14 and a fraction in favour of gold.

In 1813 the fixed price of gold in England was £5 10s. per oz., in 1814 £4 6s. 6d., in 1820 £4 1s., in 1821 £3 19s. 6d.; from that period it has been issued at £3 17s. 10½d. The gradual depreciation in the fixed price of gold, between the years 1813 and 1821, was contingent, in a measure, on the return to cash payments; and the contraction of the Bank of England's redundant circulation, at one time as high as 29½ millions sterling. In India, under Lord Clive's Government (Anno. 1765), the gold mohur was rated as high as 14 silver rupees, at a time when silver was unusually scarce. This was done under an attempt to relieve the pressure for silver, and introduce a more extended gold circulation. It had not the desired effect, the gold mohur having immediately fallen to a discount of 40 per cent., its more natural level.

The question, then, of a gold currency for India, appears to resolve itself into the following leading characteristics:—

1. Of what standard should such new currency be?
2. What should be the denominations of the coins to be issued, and their value in the present silver currency of India?
3. To what extent should they be a legal tender?

With regard to the first proposition, a gold or silver standard may be raised or depreciated as required. In the former case, by increasing



the quantity of pure metal, and in the latter by increasing the quantity of alloy. In some countries, the gold standard approaches much nearer to pure gold than in England. As gold, however, for circulation, in the shape of coin, requires to be hardened by the admixture of some other metal, and as there is no absolute rule as to the exact quantity of each, every country adopts such standard as is deemed best—the higher the standard the greater the probability of the coin being withdrawn, by some other country having a lower standard, when exchange so rules.

The Indian silver standard being inferior to the English, rupees are seldom shipped from India, even when exchange is as low as 2*d.* under the nominal par of 2*s.* per rupee. This is one reason why so little of the silver exported to India returns, and the same cause will continue to operate as long as the standard remains the same, and the cost of transmission as high as it is. The same rule would apply to the export of gold coins from India, if the standard was in the same degree inferior to the English standard. It would, however, operate inversely with regard to the export of gold from England to India—that metal would seek the country where it would go farthest, or, in other words, where a smaller quantity would answer the purpose of a larger, and an additional number of coins be thereby produced. These remarks apply more particularly to the export of coined gold, or gold the price of which has been subjected to the English standard. Gold, in its original state from the producing countries, Australia and California, would be received as an article of merchandise, and minted under similar regulations to those in force with regard to silver. Such being the case, it might be desirable, though the gold standard in India, as at present, is high compared with the silver standard, not to subject it to any depreciation, but if a 10 rupee coinage is adopted, to make it of the same proportionate standard as the mohur, viz., 165 grains pure, 15 grains alloy.

The coins which appear best adapted for circulation in India are those of the value of ten rupees. A coin of this denomination is convenient for all purposes, and is found of a similar value in countries generally—as in England, the sovereign, or 20*s.* piece; in France, the Napoleon, or twenty francs; in America, the eagle, or five dollars. Were it of less importance to India to maintain its silver currency it might be desirable to issue gold coins of the value of five rupees; but, under existing circumstances, the risk of displacing silver would be increased by the introduction of such coins.

The question to what extent should such coins be legal tender, is probably the one most difficult of solution. By an act of the Governor-General in Council, dated 17th August, 1835, the coinage of gold mohurs, or 15 rupee pieces, was authorised; and of 5, 10, and 30 rupees of proportionate weight, of the standard before mentioned of 11-12ths pure and 1-12th alloy, such coins not to be a legal tender of payment in any of the territories of the East India Company. This act was, to a certain extent, modified by a proclamation issued 13th



January, 1841, by which officers in charge of public treasuries were authorised freely to receive gold coins struck in conformity with the provisions of the same act, 17th of August, 1835.

In December, 1852, a notification was made public, cancelling the proclamation of January, 1841, and intimating that from and after the 1st January, 1853, no gold coin would be received on account of payments due or in any way to be made to the Government in any public treasury, within the territories of the East India Company. Gold has, therefore, in India, been virtually demonitized. By some countries of Europe the export of silver was prohibited, and it now remains a question of grave consideration with many whether such steps should not be retraced and gold more freely admitted, and made either the standard of value, or partially so in subservience to silver.

To annul the notification of 1852, and return to the regulation in force under the proclamation of January, 1841, could not have any immediate or visible effect on the existing state of things in India, there being, it may be presumed, little or no gold coin in the country; and it is evident little could be spared from this side, even if it would pay to transmit it, which maintaining the Indian standard at the same level as the English, is out of the question; for example, if 100 ten rupee gold pieces contained the same quantity of metal of the same standard as 100 sovereigns, and allowance was made of say  $5\frac{1}{2}$  per cent. for cost of transmission, mint seignorage, &c., a remittance of this kind would not be placed in India under  $2-1\frac{3}{4}$  the rupee. It may fairly be concluded therefore that, notwithstanding the large return balances that have to be made to India from this country every year, they would not be made to any great extent in gold were its circulation more free than it now is.

The only way in which India would be likely to have increased supplies thrown into the country would be from the gold producing countries Australia and California, and probably the United States of America, in commercial intercourse with the Bengal Presidency in particular. The Australian colonies, it may be presumed from their contiguity to India, and the trade that should be carried on between the two, would doubtless have the largest share of the business, and that to the mutual benefit of the two countries. It will be remembered that when the Australian gold mines began to yield in such abundance (about the time of the notification of December, 1852) large remittances in gold were made to Calcutta by Australian banks, which, in consequence of the demonitisation of it in India, had to be sent on to London at a heavy additional expense. As regards Australia, therefore, if the aforesaid prohibition was repealed and gold coins made receivable at the public treasuries, there is little doubt Australia would be the first to avail of the removal of the restriction, and gold would be sent up freely as well in return for produce as for the purchase of exchange on England. To guard against such influx therefore, and yet not close the gates against all admission, is the difficulty to be surmounted.



Assuming that the gold standard of India remains as it is, and that ten roupée pieces are the most convenient and best adapted for purposes of general circulation, I would propose that these coins should not be received at the public treasuries, but at the option of the Government. That they should be a legal tender for all payment between merchants, traders, &c. That they should be a legal tender for the payment of bankers' promissory notes payable to bearer on demand; but not for interest and dividends on Government loans, or other public securities except at the option of the Government. That the silver rupees of the company should continue a legal tender as at present, for sums of any kind, and to any extent. That no gold should be received for coinage at the mints of Calcutta, Madras and Bombay, except under existing regulations as to seignorage, and to such extent as may be deemed advisable from time to time.

To declare gold coins unlimited legal tender, would doubtless have the effect of inundating India with that metal unless such unaccountable absorption of it should take place in other parts of the world, as we have lately witnessed. In England gold is a legal tender to any amount, and Bank of England notes are the same; but the two together can only perform the functions of a complete circulating medium.

These measures would give to Government the right of excluding gold from its public treasuries if deemed efficient to do so, but would permit its circulation among the trading community. It would also be brought into requisition by banks in payment of notes issued. On the question of bank notes in India, it may be remarked that to increase their circulation would tend materially to relieve the momentary wants of the country—with the view to which all banks in India, having colonial charters, should be allowed to issue notes on a gold basis.

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#### TRADE OF THE UNITED KINGDOM.

The Board of Trade returns for the month of April were issued on the 26th of May, and again show a large increase in the declared value of our exportations, although not to the extraordinary extent observable during the three preceding months. The augmentation is £560,918, or 5 per cent. as compared with the corresponding period of last year, and £1,899,880, or 23 per cent. as compared with April, 1855. The annexed table exhibits the exact increase or decrease under each head. Among our staple manufactures linen is the only one on the unfavourable side :—



## DECLARED VALUE OF EXPORTATIONS.

Months ending April 30th, 1856, and April 30th, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£299,402	£118,383	£18,981	—
Beer and ale ... ..	150,969	155,414	4,445	—
Books ... ..	39,205	30,903	—	8,302
Butter ... ..	31,066	37,744	6,678	—
Candles ... ..	28,503	31,231	2,728	—
Cheese ... ..	10,145	9,036	—	1,109
Coals and culm ... ..	242,966	287,811	44,845	—
Cordage... ..	40,410	48,654	8,244	—
Cottons ... ..	2,389,063	2,292,673	46,390	—
Cotton yarn ... ..	631,806	776,465	144,659	—
Earthenware ... ..	117,333	141,870	24,537	—
Fish ... ..	6,267	14,446	8,179	—
Furniture ... ..	14,192	22,686	8,494	—
Glass ... ..	51,068	60,628	9,560	—
Haberdashery ... ..	245,191	289,979	44,788	—
Hardwares ... ..	297,190	309,279	12,089	—
Leather ... ..	131,372	188,211	57,839	—
Linen ... ..	373,742	343,165	—	30,577
Linen yarn ... ..	109,703	160,395	50,692	—
Machinery ... ..	201,746	263,058	61,312	—
Iron and steel ... ..	1,320,957	1,449,782	128,825	—
Copper and brass... ..	246,931	198,220	—	48,711
Lead ... ..	56,553	89,642	33,089	—
Tin ... ..	164,900	148,737	—	16,163
Oil, seed ... ..	115,338	87,005	—	28,333
Painters' colours... ..	43,856	51,183	7,327	—
Pickles and sauces ... ..	32,734	20,454	—	12,280
Plate and jewellery ... ..	37,593	44,850	7,257	—
Salt ... ..	33,376	33,768	1,392	—
Silks ... ..	190,294	220,564	30,260	—
Soap ... ..	24,492	25,102	610	—
Soda ... ..	52,424	74,547	22,123	—
Spirits ... ..	55,179	93,726	38,547	—
Stationery ... ..	50,736	56,415	5,679	—
Sugar, refined ... ..	74,550	18,034	—	56,516
Wool ... ..	84,984	84,449	—	535
Woollens ... ..	723,127	729,345	6,218	—
Woollen Yarn ... ..	223,650	247,772	24,122	—
Unenumerated articles ... ..	732,913	730,228	—	2,685
Total ... ..	9,424,926	9,985,844		

The total increase in our exports for the first four months of the year has been rather more than 12 per cent. As compared with the corresponding four months of 1855 it has been about 45 per cent.

With regard to imported commodities, a decrease continues to be shown in the arrivals of wheat and flour. Indian corn, however, has been largely taken. In animals and salted provisions there has again been an increase, consequent upon the advancing prices of meat. The importations of coffee and tea show a reduction, while in the deliveries for home consumption there has been an immense increase, owing to the dealers having waited till the commencement of the month for the



reduction of duties. Of wines, spirits, and tobacco the arrivals have been very large, but the consumption has not exceeded the average.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Months ending April 30th, 1856, and April 30th, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	298,246	164,787	298,246	164,787
Grain of other descriptions, qrs.	163,577	95,714	163,577	95,714
Indian corn, qrs.... ..	236,713	526,565	236,713	526,565
Flour and meal, cwt. ... ..	257,432	153,170	257,432	153,170
Provisions—Bacon, &c. &c., cwt.	55,125	106,811	Free.	Free.
Butter and cheese, cwt. ... ..	71,763	69,119	71,784	72,106
Animals, No. ... ..	2,962	6,167	Free.	Free.
Eggs, No. ... ..	15,965,400	13,903,000	15,965,400	13,878,400
Cocoa, lb. ... ..	939,742	876,224	431,568	867,097
Coffee, lb. ... ..	5,759,184	5,123,504	3,024,292	6,617,195
Sugar, cwt. ... ..	551,861	748,887	713,916	868,657
Tea, lb.... ..	12,671,273	8,627,211	4,741,144	14,997,310
Rice, cwt. ... ..	78,903	232,366	112,944	92,110
Spirits, gallons ... ..	792,969	822,204	413,781	398,639
Wines, gallons ... ..	584,582	1,014,692	647,882	650,166
Tobacco, lb. ... ..	1,502,317	3,939,395	2,789,864	2,724,659
Currants, figs and raisins, cwt...	6,445	35,949	32,518	25,402
Lemons and oranges, bushels ...	85,618	80,990	76,739	84,601
Spices, lb. ... ..	1,175,900	837,259	297,008	330,480
Ditto, cwt. ... ..	2,975	5,145	159	1,007

The following comparative imports and exports of raw material show the magnitude of the supplies lately received :—

Months ending April 30th, 1856, and April 30th, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	48,213	99,330	—	—
Hemp, cwt ... ..	55,534	86,660	—	—
Raw silk, lb. ... ..	680,627	1,188,801	91,629	139,984
Cotton, cwt.... ..	522,349	1,172,832	78,285	187,186
Wool, lb. ... ..	3,599,538	10,968,942	854,091	1,368,785
Tallow, cwt. ... ..	36,874	58,696	—	—

Of silk manufactures the totals stand thus :—

Months ending April 30th, 1856, and April 30th, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Silk manufactures of Europe, lb.	86,191	56,726	85,452	55,492
Ditto of India, pieces ... ..	130,821	50,633	11,730	9,778

In the miscellaneous imports there has been a general and important increase, sufficient, with that shown in the above quoted articles of raw







they cannot discontinue it while the exchanges are in their present state, without the risk of their returns presenting suddenly an unfavourable appearance, and thus causing discouragement.

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#### THE NEWCASTLE COMMERCIAL BANKING COMPANY.

A PETITION has just been presented to the Court of Chancery to investigate and wind-up this company's affairs. It set forth that the bank was started with a capital of £100,000 in 10,000 shares of £10 each, and the business was carried on until August, 1856. In 1855, however, a meeting was called to dissolve the company, but on that occasion the directors reported that the inducements to dissolve it no longer existed; that the directors, in proposing to dissolve, were actuated by a desire to secure to the shareholders the full value of their property while the bank was in a sound and prosperous condition, and divide its capital among them. By means, however, of the kind and courteous introduction of Mr. Alderman Kennedy, a distinguished London capitalist, communications, the directors stated, had been opened with an influential and powerful joint-stock company in London; that a deputation from that body had been to Newcastle; and that arrangements had been made that would secure to every shareholder who desired to sell his stock a payment of £5 per share value at par, with interest, within twelve months. The directors also represented that the business of the bank had been continued under new and powerful auspices, and they hoped that the shareholders and the district generally would approve of the continuation of the business. The petitioners allege on affidavit that such representations were false, and that no communications whatever had been made with the directors of any London joint-stock company. The only arrangement that had been come to was one embodied in an agreement made by Mr. Walker, the managing director, whereby Mr. J. Sadleir, of Gloucester-place, Hyde-park, Mr. Farmery J. Law, and Mr. Alderman Kennedy, agreed to accept 4,000 shares in the Newcastle Bank on certain terms, and which contracted for the transfer of these shares to them and their nominees, and gave them absolute control and power over all the capital and assets of the company, without any payment being made by them in respect of such shares. It was also agreed, in consideration of the counsel, advice and assistance given by Mr. Walker, as to the company's management and affairs, that he should be secured an annual payment out of the funds of the company of £500 for two years. Soon after the date of the agreement, Walker transferred 3,775 shares, part of the 4,000 shares, to Sadleir, Law and Kennedy. There were also in the possession of the bank 1,900 forfeited shares, representing £9,500, which Mr. Walker also transferred, to Sadleir (500), Law (500), Valiant (500), John Sadleir (500). There were also 620 shares in the name of J. D. Weatherley and J. Copling, jun., and of these 220 were transferred to Law, 100 to Robert Keating, and 300 to Sir James Sausse. The price of these shares amounted to £3,100, which was paid by the joint and several promissory notes of Law, Kennedy and Sadleir for that amount, at six months. The note was discounted by the bank, and the proceeds paid to Weatherley and Copling, or placed to the credit of their account. At this period Copling had intimated to Mr. Walker his intention of calling a meeting of the shareholders to investigate the affairs of the bank, and it is alleged that this plan was adopted so as to purchase the shares of Copling, and disqualify him as a shareholder, from opposition. Subsequently, fur-



their shares, amounting to 3,700, or £18,800 in value, were similarly transferred. Messrs. Weatherley, Wilson, Garbutt and other directors were largely indebted to the company at this time, and the transfer of these shares before their liabilities were discharged was a violation of the deed. In November, 1855, the company discontinued business, but during that month upwards of £80,000 in cash and bills of exchange was transmitted by the managing director in Newcastle to Mr. Farmery Law, who had been appointed corresponding director in London; and £51,000 of that sum was improperly applied in discounting the unaccepted drafts or orders of the Tipperary Bank on Messrs. Glyn and Co., the bankers. The late J. Sadleir was chairman of the Newcastle and Tipperary Banks. The petitioners further state that the Newcastle Bank declared a dividend of £5 on the capital of the bank, although the whole of it was then placed in the greatest jeopardy by the failure of the Tipperary Bank, whose drafts to the extent of the full amount of the paid-up capital they then held. In March, 1856, Mr. Walker obtained from Mr. Alderman Kennedy and Mr. Law, as security for the payment of £4,000 in respect of the 800 shares he transferred to Mr. Alderman Kennedy, the promissory note of Kennedy and Law for £4,000, which was made a payment to the bank, and in exchange for the said note Walker took in his own name deposit receipts of the bank for £4,000, and now claims that amount as a liability of the company to him. The promissory note was dishonoured, and Walker caused proceedings to be instituted against the bank, and at the cost of the bank against the payees. In August, 1856, an annual meeting was called, at which a report was presented by Mr. Walker, who assumed to exercise the entire control over the bank, and Messrs. Kennedy and Pocock were re-elected directors, but they sent in a solicitor's notice refusing to serve; and in August last the bank suspended operations by refusing to pay depositors. There was a loss of £885 on the last half-year's business, and the amount due to depositors and customers was between £30,000 and £40,000, with other unascertained liabilities, and under these circumstances it is sought to investigate the affairs and wind-up the concern.

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### REDUCTION IN THE RATE OF DISCOUNT.

THE directors of the Bank of England, and of the Bank of France, have at length determined on reducing the rate of discount. The more favourable position of these two establishments, and the steady influx of bullion, could not fail to produce a favourable effect upon the money market; and the consequence has been that the demand has, in a measure, diminished. At the same time, great caution has been exercised in following out this alteration, more particularly in the case of the Bank of France, the usual change being equal to one per cent., while in the present instance it is only half per cent.; the measure being limited to the discount of mercantile paper.

The directors of the Bank of England made their announcement on the 18th of June, regarding which *The Times* remarked as follows:—

“The Bank of England have lowered their rate of discount to-day from 6½ per cent., at which it had stood since the 2nd of April, to 6 per cent. The reduction applies alike to discounts and to loans upon securities.

“The nature of the last *Gazette* return and the anticipations of the



favourable character of that which is to be published on Friday were such as fully to warrant an expectation that this measure would be adopted, but during the past two days a general impression had gained ground that a majority of the directors were opposed to it, and the announcement therefore came rather unexpectedly. Of the soundness of the policy there can be little question. The approved plan for the Bank is that, as a general rule, they should be guided alone by the actual position of their accounts from week to week, and, abstaining from conjecture as to the probable tendency of the market a month hence, be content to meet each change as it may occur. If in December last they had abstained from making a reduction, because it was possible they might have again to return to higher rates, they would have needlessly added to the anxieties of the commercial world for a period of nearly four months, since it was not till the following April that they were compelled to resume a stringent course. Whatever may be the feeling, therefore, with respect to the future, the resolution now taken is to be regarded with gratification. Nevertheless, it is satisfactory to assume that even on the part of those directors who would have been disposed to delay the movement if they had had any strong misgivings as to its permanence, the disposition to confidence has prevailed. The worst stages of the silver drain in China, during the present year, are believed to have been surmounted; all the accounts from the manufacturing towns of the United Kingdom indicate a desire to contract business within the safest possible limits, and the reports of the grain crops throughout Europe are most encouraging. Hence, although, after the experience of the past two years, no momentary mitigation of pressure should induce any one to countenance a revival of speculative projects, there is enough to inspire hope that financial affairs may be about to return gradually to a normal course. A critical period, however, has yet to be passed before the wheat harvest is secured. We have also £1,125,000 to send to Denmark, and the eagerness of the Parisian gamblers for another mania on the Bourse, under State auspices, is likewise an element for careful consideration.

The discount establishments have lowered their rate of allowance to 5½ per cent. for money at call, and 5¼ per cent. for deposits, with seven days' notice, being a reduction of a half per cent. The rate of the joint-stock banks for deposits will be 5 per cent.

The directors of the Bank of France gave notice of their change on the 25th of June. In reference to this, it was remarked—

Notwithstanding the reduction of £800,000 which has occurred during the last ten days in the stock of bullion in the Bank of France, the directors of that institution decided this morning to lower their rate of discount from 6 per cent., at which it had stood since the 26th of September last, to 5½ per cent. It is believed, however, that by all the most prudent members of the board the step was regarded as inopportune, and that it is virtually to be attributed to Government compulsion. Yesterday M. Fould, who is at present acting for the Minister of Finance, officially called for the attendance of all those members whose presence might otherwise have been uncertain at the weekly court to-day, on the ground that a reduction would be proposed; and it was fully understood that, whatever might be the amount of individual opposition, the Government would certainly not abandon their point. Perhaps if Count D'Argout had still been governor, the resistance might have been greater, but the very object of the recent arrangements for the retirement of that functionary was assumed to have



been the removal of the difficulties which the weight of his long experience often interposed in cases like the present. Happily there is ground to hope that the measure, although utterly inconsistent with sound principle, may not for the moment lead to serious consequences. The Government are doubtless, rendered sanguine by the prospects of the harvest, and are impatient to snatch its benefits, without waiting for it to be safe from all contingencies."

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## Banking and Commercial Law.

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### PROGRESS OF THE MEASURES NOW BEFORE PARLIAMENT FOR THE AMENDMENT OF BANKING AND COMMERCIAL LAW.

THE bill to make better provision for the punishment of frauds committed by trustees, bankers, and other persons intrusted with property, has been amended in committee. The amendments, although apparently few and verbal, are great improvements. Thus, the expression "in violation of good faith," is changed throughout into "with intent to defraud;" the word "intrusted" is changed into "possessed;" the word "wilfully" is changed into "with intent to defraud." If the offence should on the trial amount to a larceny, the accused party is not to be entitled to an acquittal. The word "trustee" is to include "the heir and personal representatives of any trustee," and also all executors and administrators, liquidators under the "Joint-Stock Companies Act, 1856," and all assignees in bankruptcy and insolvency.

As an accompaniment to the foregoing, Lord Saint Leonards has brought in a bill for the better protection of honest trustees, which is designed to save them from some of the hard consequences which now result from a breach of trust committed in ignorance or without any fraudulent object.

The bill to amend the Joint-Stock Companies' Winding-up Acts and the bill to "Amend the Joint-Stock Companies' Act, 1856," have passed the House of Commons, and are now before the House of Lords. The first of these seems to leave the Courts of Chancery and Bankruptcy in possession of that concurrent jurisdiction which we have no doubt will be found attended with great and unnecessary expense and inconvenience in the case of the *Royal British Bank*. It enables representatives of the creditors to enter into compromises, and it protects shareholders from separate proceedings at the instance of individual creditors. Experience has proved that the liability to separate actions is ruin to every shareholder, and, on the whole,



prejudicial to the creditors. The proposed amendment of the law does not interfere with the liability of the shareholder, but alters the machinery by which he is to be reached; and we have no doubt will prove as beneficial to the creditor as to the unfortunate shareholder.

The bill to Amend the Joint-Stock Companies Act contains thirty-one sections relating to registry, register of shareholders, winding-up by court, official liquidators, and some temporary provisions. We do not see anything in them to deserve a lengthened comment.

## Legal Miscellany.

*Court of Bankruptcy, Basinghall-street, April 24.—(Before Mr. Commissioner GOULBURN.)*

IN RE COPLAND AND BARNES.

THE bankrupts were provision merchants of Botolph Lane and Southampton. Their debts are £26,000; assets, £8,000. This was a meeting for the choice of assignees.

Mr. George Harker, of Upper Thames Street, drysalter; Mr. George Glenny Anderson, Mark Lane, corn-factor; and Mr. Robert Parker, of Southampton, wine-merchant, were appointed assignees.

Mr. Linklater appeared for the petitioning creditors.

*Vice-Chancellor's Court, May 30.—(Before Sir R. T. KINDERSLEY.)*

IN RE THE ROYAL BRITISH BANK.—EX PARTE WALTON AND HUE.

This case now came on upon adjourned summonses from chambers, the question being the validity of the transfer of certain shares by the executors of a Mr. Walton and by a Mrs. Hue. These questions were argued in January and February last, when Mr. Paddison, Gatherer, and other persons, were examined *videlicet* in Court, which proceedings were fully reported in the *Banker's Magazine* at the time, and his Honour then reserved his judgment. Mr. Baily, Mr. Glasse, Mr. W. D. Lewis, Mr. G. M. Giffard, and Mr. W. Morris appeared for the several parties.

The Vice-Chancellor now said that there were two cases before him in this matter, one of Mr. Walton's executors, the other of Mrs. Hue. Upon the first, the question was whether Mr. Walton's executors were liable to be put upon the list of contributories. The Royal British Bank was instituted in 1849 by Royal charter, dated the 17th of September, and according to the provisions of the 7th and 8th of Victoria, chapter 113, for regulating joint-stock companies, and the charter recited the deed of settlement. In July, 1849, Mr. Charles Walton was the holder of twenty shares in the bank; he died on the 16th of April, 1856. On the 19th of August, his executors instructed Messrs. Hitchins and Harrison, brokers, to sell those shares, and on the 21st of August they sold them in the ordinary way, ten to a broker for a Mr. Remfry, and ten to a person named Russell, who was a jobber. According to the usual practice, the dealer, though he bought on



his own account, was not always personally interested, but named some one as the purchaser, and Russell named one Meston. No written notice was sent to the bank of these intended sales nor any formal written application for leave to transfer, but on the 28th or 29th of August, Amsell, who was the clerk to the brokers acting for Walton's executors, went by the direction of his principals to the head banking-house with the certificate, memorandum, and ticket, stating the name and description of the purchaser, and the amount for which the shares were sold, and wished instructions for the transfer; but the transfer-clerk said there was no necessity for that, as the brokers themselves could prepare the transfer, and he gave Amsell some blank forms, printed, two of which were used, and filled up and executed, and they bore date respectively the 30th of August, 1856, and the 3rd of September. These deeds of transfer were delivered, together with the certificates of shares, to the brokers for the purchaser; and on comparing the depositions of Amsell with those of Mr. Gatherer, the transfer-clerk, his Honour came to the conclusion that the name of the vendor was not mentioned to Gatherer; at all events, it was not stated in the memorandum which the broker's clerk showed to him. On the 3rd of September the bank stopped payment, and applications were made by the executors of Walton to have their shares registered; but such and other like applications were refused. These were the circumstances as to Walton's case. Now, with regard to the transfer of shares in this bank, the Act referred to was the 7th and 8th Victoria, chapter 113. Now, according to the clauses in this act, to carry the provisions of the deed in all these terms into effect, three steps were necessary to complete the transfer: First, notice to the directors of the proposed transfer, specifying the number of shares named, and description of the transferor and transferee, and the consideration. The notice was to get the consent of the court of directors, and seven days at least must elapse after such notice before the transfer could be made. The next was that the consent of the directors having been given, the transfer should be executed and delivered, not to the transferee, but to the secretary of the company, to be kept by him, and he would enter a memorial in the register-book kept for that purpose, and indorse it on the deed of transfer, and this indorsement when once made was to be sufficient evidence of the consent of the directors. Thirdly, the old certificate, held by the transferor, was not to be delivered to the transferee, but given up to the proper officer of the bank, and a new one sealed with the seal of the company delivered to such transferee; and it was obvious that nothing could be more reasonable than that some consent should be made requisite to the transfer. In every joint-stock company and in every ordinary partnership, no transfer could be made without the consent of all the partners; but in the case of joint-stock companies this was converted into a power given to some; and, accordingly, the act regulating to joint-stock banks provided for the right to transfer, but subject to all the stipulations in the deed of settlement. There was, however, one obvious inconvenience attending the necessity of consent to a transfer under any circumstances, whatever the modifications might be,—that, inasmuch as the directors, who were to give consent, must know at least the name and description of the intended transferee, in order to exercise a discretion, to give or withhold such consent, not determine until after the name of the intended transferee was ascertained which "could not be until after some contract for sale or transfer of the shares was made, and, therefore, no such contract could be made, except provisionally, and must be contingent on the event of the directors consenting."—But still that inconvenience



"did" not prevent its "being" reasonable, and incidental to every case. notwithstanding, it was common in deeds of settlement, and was in this very one and in the charter in the operative part declared that the several regulations contained in the deed or any supplementary deed should be taken to be the existing regulations, except so far as they were altered and varied by the charter. It was argued that the delivery of the blank form by the transfer clerk was substituted for the consent of the directors, whereas if this was the object and intention, it might be competent to the directors to bind all the shareholders by the introduction of a practice perfectly opposed to the provisions of the deed; indeed, the evidence negatived the supposition that any such substitution was ever thought of. It might be said that the postponement was a new inconvenience. It was a just observation, but only an extension of the inconvenience inherent in every deed which contained the necessity of the consent. In every such case the contract must be provisional, and the practice in this company was attended with additional inconvenience, but was counterbalanced by getting rid of the seven days' notice, not the consent of the directors. After all, the question was not whether the practice admitted was attended with more or less inconvenience, but whether it was the systematic usage by the company to dispense with the consent of the directors, and to substitute for such consent the delivery of the blank form? The claims of Walton's executors rested on the supposition that such was the case; that appeared to his honour to be negatived by the evidence of Mr. Paddison, Mr. Gatherer, and Mr. Amsell—and that evidence was not contradicted by the affidavits of the other side of Mr. Humphrey Brown and another person, a broker. The cases cited did not appear to his Honour to touch this question. They, no doubt, established the general principles, that where a deed of settlement prescribed certain formalities for transfers, yet, notwithstanding the omission of these, some act by or on behalf of the company, by which the transferee was recognised as a shareholder instead of the transferor, was binding upon the company. His Honour was of opinion, therefore, that Walton's executors, as between themselves and the other shareholders, remained liable, but this decision did not affect any question that might arise between them and the parties to whom the transfer was made. Mrs. Hue's case was different in circumstances, but the result must be the same. Mrs. Hue, therefore, was also liable, without touching the question as between her and Airey and Swift. He could not give the parties their costs. He wished it to be understood that the chief clerk's decision could always be appealed from; but here there was no common fund which belonged to all, and it would be making the other shareholders pay the costs of resisting a just claim.

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*Court of Bankruptcy, Basinghall-street, June 2nd—(Before Mr. Commissioner HOLROYD.)*

IN RE THOMAS RYDER.

His Honour delivered judgment in the case of this bankrupt, merchant, of Old Broad-street, upon the question of certificate. He said the balance-sheet commenced on the 1st of January, 1854; the bankrupt, however, had been in business ten years, and, in 1851, compounded with his creditors, paying them a few shillings in the pound. He then started as an East India merchant, or, as he should say, looking to his subsequent transactions, he was an adventurer. When he started, he owed £1,175. The general figures would show a most unjustifiable



course of trading. The bankrupt's debts were £17,121; liabilities, £11,355; creditors for advances, £34,516; consignments on which the advances were made, £41,245. In respect of the surplus on the consignments, the official assignee had received £1,392, and he would not receive above £500 more. The gross profits had been £4,082, of which £403 only was upon consignments; losses, £9,701, of which £6,876 were upon consignments; and, in fact, the losses would be about £12,000. The trade expenses, £1,245, were moderate; but he could not say the same of the personal expenses, which were at the rate of £950 a year. The amount proveable against the estate was £17,752, irrespective of the liabilities; and the assets, or rather the salvage of the wreck of the goods of the creditors, would not amount to more than £2,200. The grounds of opposition relied on were trading recklessly, obtaining goods by false representations, and that he had lost more than £20 in one day by gaming and wagering. The course of trading had been—the bankrupt had bought goods, upon which he had obtained advances averaging 70 per cent.; and they were shipped to different parts by the persons who made the advances. In the first year, the bankrupt's purchases were £10,000, and for the next thirteen months £47,000. The losses on the shipments at last brought the bankrupt's desperate course of trading to a close. The only excuse offered by the bankrupt was, the facilities in this country for obtaining advances; but that was not a legitimate excuse. In fact, he must condemn the system of obtaining advances on goods, unless the party was very circumspect; and such a system must meet with the reprehension of the Court. In plain English, it was "heads I win, tails I lose." With respect to the second objection, Mr. Warner was examined, and said, on the 7th of December, 1855, the bankrupt applied to him to buy goods for him, payment to be "prompt." He inquired into the state of the bankrupt's affairs, and said, "Are you a solvent man?" and he answered, "I am, and a prosperous man." The bankrupt made payments on the 8th and 15th of December, but not in respect of these particular goods. The bankrupt contradicted Warner, and said Warner's observation was, "You are either a man with very considerable means, or a very clever man;" and the bankrupt replied, "Then I am the latter, for I never traded under false colours." He relieved the bankrupt of the charge of studied deceit, but his remark would have the effect of representing solvency. Warner's dealings with the bankrupt amounted to £9,000; and he knew the bankrupt shipped goods, and got advances on them; but there was no reason for charging Warner with a want of care or caution in his dealings. The bankrupt had laid great stress on his loss by charter of vessels. This was attributed to the sudden conclusion of peace. Although the state of public affairs may have to some extent prejudiced the bankrupt, it appeared he chartered twenty-five vessels—twenty-two to carry grain between New York, &c. He never paid for those vessels, and the true cause of his failure was his insolvency from the commencement of the trading. The third objection was that, in 1854, he lost £140 by "time bargains" in Consols, and, in 1855, £81. It was sought to bring the bankrupt within the 201st section of the "Bankrupt Law Consolidation Act, 1849," providing for gaming and wagering. That section must be held to apply to all gaming and wagering. There had been a loss of £140 on purchases nominally appearing in the bankrupt's books as £6,092 10s. He had received a broker's note, which had the form of a legal and *bona fide* contract, but it was, in fact, a mere wager on stock, to influence the "account day." The seller had not the stock, and the purchaser had no intention of taking it. The dealings in the Turkish scrip were of a like nature; the bargains were never intended to be carried



out, and the scrip would never be delivered. Looking at all the bearings of the case, that it was necessary that there should be good faith, candour, and truth in commercial transactions, and to repress gaming and wagering in all its branches, the certificate must therefore be refused. Execution not to issue for twenty-one days, to enable the bankrupt to appeal.

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*Court of Chancery, June 2.—(Before the LORD CHANCELLOR and the LORDS JUSTICES OF APPEAL.)*

IN RE THE ROYAL BRITISH BANK.—HARDING V. GREIG.

This was an appeal from an order of Mr. Commissioner Goulburn,. The short facts of the case were that John Peter M'Morland Greig, cabinet-maker, of Bartlett's-buildings, Holborn, was, at the time of his bankruptcy, a holder of sixteen shares in the Royal British Bank. A proof was tendered against his estate by Mr. Harding, the official manager of the bank, for a sum of £1,200, being the amount of the call of £75 per share made on the 10th of January last, on the shares held by the bankrupt, who had been placed on the list of contributories. The Commissioner, on the 2nd of May last, rejected the proof on the ground that the bankrupt had never been legally put upon the list of contributories. It appeared that the list, in the first instance, had been made out by Mr. Pugh, the chief clerk of Vice-Chancellor Kindersley, but afterwards signed by the Vice-Chancellor; and the Commissioner was of opinion that, under these circumstances, the list must be taken to have been settled by the chief clerk, a ministerial act he was not competent to do under the statute appointing him (the 15th and 16th of Victoria, cap. 80). From this decision, the official manager appealed. Upon the opening of the appeal, the Court intimated their decided opinion to be that the order of the Vice-Chancellor could only be got rid of by a re-hearing before the Vice-Chancellor, or by an appeal to this Court. At the same time, an opportunity was given to the assignees of Greig to move this Court in Chancery to discharge the call upon its merits, under the usual risk of having to pay the costs, if unsuccessful. This offer they declined, and therefore the appeal was placed in the paper to be disposed of.

Mr. Bacon and Mr. W. D. Lewis appeared for the official manager (the appellant); Mr. Daniel (Mr. Speed and Mr. Aspland with him) for the assignees of Greig, in support of the order of the Commissioner.

Lord Justice Knight Bruce—We are now sitting in bankruptcy, and we all agree that the claim of the official manager must be admitted as a proof unless the assignees of Greig elect to have the question of the propriety of the call discussed on appeal, which they must do at once. The order of the Vice-Chancellor is a subsisting one until discharged.

The Lord Chancellor—The proof must be admitted.

Lord Justice Turner concurred.

Ordered accordingly.

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*Court of Bankruptcy, Basinghall-street, June 5.—(Before Mr. Commissioner EVANS.)*

IN RE COLONEL P. WAUGH.—THE LONDON AND EASTERN BANKING COMPANY.

Mr. Lawrance, for the bankrupt, lately a director of the Eastern Banking Corporation, applied for an enlargement of time for his surrender, and put in a letter from Mrs. Waugh, dated Malaga, stating that, under the circum-



stances in which her husband was placed, he was suffering very severely from illness, and intimating a hope that some arrangement, and an improved state of his health, might admit of his appearance on a future day; also an affidavit of Dr. Chapman, of Albemarle Street, that Colonel Waugh was seriously ill when he last saw him, about six weeks since; and that he believed, from information subsequently received, that he continued seriously ill, and was not in a fit state to undergo an examination in this Court.

Mr. Linklater, for the assignees, without directly opposing the application, called the attention of the Court to the circumstances in the case. Colonel Waugh was very largely in debt; and the rapidity with which he left the country was not compatible with the very serious illness now alleged. They had not even the evidence of his own oath that he was ignorant of the proceedings under his bankruptcy. If he had sworn that he had no knowledge of his bankruptcy at the time he left the country, that he had since been ill, and that he intended to come back, the Court would probably be inclined to accede to the application. This, however, was not affirmed; and even the affidavit of the medical man, as now furnished, showed that he had not seen Colonel Waugh for six weeks. If the Court enlarged the time for surrender, it would doubtless intimate its opinion that no further enlargement would be permitted, except upon filing affidavits of the most satisfactory character.

The Commissioner—If any good is to be got by refusing the application I will refuse it.

Mr. Linklater feared that at present evil rather than good might result from so decided a course.

The Commissioner—I will enlarge the time for surrender to the 30th of this month only. There is no affidavit from the bankrupt himself, and the medical certificate is very vague.

Mr. Lawrance asked that certain papers belonging to Mr. Waugh, taken possession of by the assignees at Branksca Castle, might be given up.

The Commissioner—The assignees must act in the matter on their own judgment and responsibly. I cannot make any order.

The time for surrender was then enlarged to the 30th instant.

IN RE STRAHAN, PAUL AND BATES.

The bankrupts were the late defaulting bankers in the Strand. A question arose as to what estate property belonged. The official assignee stated that he was about to receive the purchase-money for Park Chapel. There was a debt due from the chapel to the bank; on the other hand, the chapel was alleged to be the private property of Sir John Paul.

Mr. Lawrance for the assignees, and Mr. Linklater for the creditors under the private estate, agreed that the assets should not be apportioned without notice.

*Court of Bankruptcy, Basinghall-street, June 11.—(Before Mr. Commissioner GOULBURN.)*

IN RE G. C. FRANGHIADI.

THIS was an adjourned certificate meeting in the case of the above bankrupt, a merchant of London and Liverpool.

Affidavits were filed in support of an immediate judgment; also in opposition. The latter set forth that Mr. Lizard, banker, of Tokenhouse



Yard, had purchased the bankrupt's drafts for £2,200 upon Messrs. Zinziani. These bills were unaccepted, but Mr. Lizard was led to believe that they would be accepted on presentation. Acceptance was afterwards refused on the ground that the bankrupt was a debtor to Messrs. Zinziani.

The Commissioner inquired whether there was any reason why the bankrupt's conduct could not be inquired into as well now as at a future period.

Mr. M. Abrahams (for Mr. Lizard)—We have reason to believe that we are on the track of goods—goods that had been concealed.

Mr. Lawrance, for the bankrupt, said the Court had the bankrupt's affidavit that, at the time the bills were discounted by Mr. Lizard, he (the bankrupt) had the authority of Messrs. Zinziani for stating that they would accept the bills. The bankrupt had passed his examination. The bankrupt denied the concealment of property, and the Court would not act on a mere suggestion for which there was not the slightest pretence.

His Honour said that, without for one moment intending to convey any imputation upon the bankrupt, whose conduct appeared to him, as also to the assignees, clear of blame, he should adjourn the hearing of the application for certificate to the 28th of July. Every creditor had a right to put forward his views. The bankrupt, with two others, had been the members of three firms; and a reasonable time must be allowed to creditors for inquiry.

Some discussion arose respecting a right of proof against the three estates, Mr. Peachy appearing for the assignees.

His Honour said it did not appear very material against which of the three estates proofs should be preferred, as each estate would probably pay nearly the same amount of dividend, about 2s. 6d. in pound. The House of Lords would shortly deliver a judgment which must affect the judgment of this Court. He would therefore adjourn the case until that judgment had been given, unless the creditor should in the meantime elect against which estate he would prove his debt.

## **Reports of Joint-Stock Banks.**

### **THE IONIAN BANK.**

THE sixteenth annual meeting of the proprietors of the Ionian Bank was held at the bank, in Great Winchester-street, on the 29th of May, Mr. Oliver Farrer (chairman of the board of directors) in the chair.

The usual formalities having been gone through, the report was read. It stated that the favourable anticipations which the directors ventured, with some qualification, to hold in their last report have been fully realised, and they can now look forward with reasonable confidence to a period of prosperous activity. The balance to the credit of profit and loss, on the 1st of January, 1856, was £7,313 18s. 10d.; the net profits of the year, after deduction of charges, and an allowance for bad debts, are £9,677 10s. 6d.; together £16,991 9s. 4d.; from which is to be deducted the amount of two half-yearly dividends, at the rate of 5 per cent. per annum, £7,500; leaving to the credit of profit and loss, on the 1st January, 1857, £9,491 9s. 4d. They subjoined the usual abstract of the results of the year 1856, which, as showing an addition to the rest of £2,177 10s. 6d., they trusted would be received as satisfactory.



The Chairman, in moving the adoption of the report, said he had never occupied his position with greater satisfaction than on that occasion, for all the disasters that in 1851 had threatened to bear down and crush the bank were now entirely removed. (Hear, hear.) And as a proof of their bettered condition, he might mention that the net profits of the bank had increased from £8,434 in the previous year to £9,676 last year, showing an increase of £3,300—an increase which would have been considerably more but for the fact that a sum of £2,000 had been written off a bad debt that had been advanced long back, under circumstances which would have rendered its recovery easy in England, but a matter of great difficulty abroad. Their future prospects were, however, good, for in the quarter of a year which had elapsed since the accounts of the balance-sheet were closed, he understood from the secretary there had been an increase of 25 per cent., which he trusted would continue through the year; for while for some years past there had been a complaint of a deficiency in the currant crop, through the disease which had prevailed, owing to the mode which had been discovered and adopted for checking the disease, the chance now was that the complaint would be of a larger produce than could be consumed. (Hear, hear.) There was one subject in connection with this increased produce, to which it was necessary to direct attention. The new American tariff had reduced the duty to be paid on currants from 40 cents to 8 cents, the effect of which would be largely to increase the consumption of the article in America, and there was also a rapidly increasing demand in Australia. He hoped, therefore, the Government of this country would follow the American example; for it was strange that while the duty on currants the produce of islands which were under British protection was 15s. 9d. per cwt., that on raisins, the produce of countries which we had no connection, was only 10s. (Hear, hear.) To this he might add, that the reduction of the duty on the former would be a great boon to the poor people in the manufacturing and mining districts. Every exertion had been made to induce the Government to reduce the duty to the same amount as that on raisins, hitherto without success, but not, he hoped, without some prospect of success ultimately. (Hear, hear.) With regard to the dividend of 5 per cent., he hoped before long to be able to announce an increase. The directors, however, had always been careful that their dividend should be honest and *bonâ fide*, and upon that principle they would still act; but the moment they could increase the dividend honestly they would do so. (Hear, hear.) In conclusion, he moved the adoption of the report.

The motion having been carried *nem. con.*, and the retiring directors re-elected, the proceedings closed with a vote of thanks to the chairman and directors.

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### THE NATIONAL BANK.

The twenty-second annual general meeting of the proprietors of this bank was held on the 27th of May, at the office, Old Broad Street, Mr. F. Newsam in the chair.

The Assistant-Secretary (Mr. Hyde) then read the report, which stated that the directors felt much pleasure in being able to confirm the accounts of the continuously advancing prosperity of Irish interests. Commerce is extending; agriculture, both as regards the tillage of land and the breeding of cattle yields a remunerative profit to all concerned in it; and the social relations of every class are improving in a ratio corresponding with



this general progress. The last year's harvest was on the whole a good one, and although the prices of grain have naturally receded from war rates to those more consistent with a time of peace, yet live-stock, butter, and other Irish produce, have throughout the past twelve months fetched high prices, and business generally has been safe, sound, and profitable. Their banking business in London continues to advance satisfactorily. The result of the transactions of the bank for the year ending 31st December, 1856, will be seen from the following statements:—viz., first, from profit and loss account, which now stands as follows:—By undivided profits at December, 1855, £66,482 8s. 9d.; by net profit for the year, 1856, after writing off all bad debts, and providing for doubtful ones, £70,051 1s. 3d.; total, £137,433 10s. Deduct shareholders' dividend, June, 1856, £13,500; bonus paid in July, £10,000; shareholders' dividend to December, 1856, £13,500; balance, December 21st, 1856, £100,433 10s. As regarded the assets and liabilities in the year 1856, the directors desire to draw the attention of the proprietors and the public to the following detailed statement, viz.:—**Assets:**—gold and silver coin in Ireland, £748,844 16s. 8d.; Government funds, with Consols and New Three per Cent. Stock, £516,241 13s. 9d.; Exchequer Bills, Debentures, cash on hand and at the Bank of England, £424,760 15s. 11d.; bills discounted, on hand, £2,455,916 2s.; advances on current account and loans at short notice, £617,723 15s. 1d.; cost of Clonmel and Carrick-on-Suir Bank shares purchased, £32,517 8s. 9d.; bank premises in London, Dublin, and branches, £34,273 11s.; total, £4,830,278 3s. 2d. **Liabilities:**—Paid-up capital, London stock, £450,000; local stock, £33,721; Clonmel and Carrick-on-Suir reserve funds, £6,921 18s. 2d.; circulation of notes, £1,159,580; due by the bank on deposit receipts, current accounts, &c., £3,079,621 15s.; balance of reserve fund, £100,433 10s.; total, £4,830,278 3s. 2d. The proprietors were aware that about the middle of December last great excitement was created in the south of Ireland by some misconception of a decision given by the Irish Lord Chancellor, relative to the responsibility of the shareholders of joint-stock banks. That excitement, acting upon the naturally sensitive minds of those who had themselves suffered from, or who had witnessed the losses occasioned to others by, the failure of the Tipperary Joint Stock Bank, rapidly spread among the country people, and caused a sudden impetuous run for gold upon all the banks; but as the demand was met with promptitude and vigour the panic speedily subsided, and never extended beyond the neighbourhood of Tipperary, where it commenced. The National Bank, having the most branches in that district, had to bear the storm in its greatest force; but the directors had nothing to regret in being thus casually placed on that occasion, in so prominent a position, since the result must prove to the public and to the shareholders, that they had their resources promptly at command; and the foregoing account of the assets of the bank, immediately after the excitement had ended, must show how fully prepared they were for all contingencies. (Hear, hear.) Very nearly the whole of the gold then sent over, being no longer required, has been returned to this country, and is again profitably employed. The deposits and circulation have risen to nearly half a million more than at this time last year, and such investments as were for the moment disturbed have been replaced even at some little profit; while at no time was the usual accommodation to the customers of the bank in any way curtailed. The directors, observing the difficulty which the officers of the bank frequently experienced in providing satisfactory security for the faithful discharge of their duties, and feeling for the destitute situation in which many of their wives and families are often



placed, when overtaken by misfortunes over which they have no control, have, with the concurrence of the officers, established an "Officers' Guarantee Fund," which, on reaching a certain maximum amount, will become a superannuation fund, and be placed under their own management, for the benefit of those who have been at least twenty years in the service of the bank, or for the relief of their widows or families. To establish this fund upon a solid basis, the board unanimously resolved, with the approbation of the proprietors, to contribute to it the sum of £2,000, and confidently appealed to the meeting to confirm the grant. It afforded the board much satisfaction to announce that at the end of last year an amalgamation was effected between the National Bank and the Clonmel and Carrick-on-Suir Banks. Up to that period, though the National was always mutually interested in these banks, they were separate and distinct establishments, having their own proprietary and directors, and being regulated by their own deeds, subject, however, to the supervision and veto of the London board. This joint administration being obviously more expensive and inconvenient than a management under one responsible control, it had long been the wish of the directors to bring about a union of the three proprietaries, and for that purpose they, from time to time, purchased, or obtained by effecting an exchange of metropolitan stock, at par, a great part of the shares of those institutions, and since the amalgamation the remainder of them have been secured; so that the Clonmel and Carrick-on-Suir, hitherto independent banks, have now merged into and form an integral part of the National Bank, which society, by authority of the Commissioners of the Inland Revenue, has obtained the right of issue to the extent of £90,512, formerly possessed by those banks, and the three establishments are now become one and the same, under the sole control and management of the London directors. The paid-up capitals of the Clonmel and Carrick-on-Suir Banks amounted, as appears in the foregoing accounts of assets and liabilities, to £33,721, and their reserve funds to £6,921 18s. 2d.; together, £40,642 18s. 2d., of which the National Bank has now acquired sole possession, by purchase or in exchange for the metropolitan stock, at par, as is shown under the head of assets, at the cost of £32,518 13s. 9d.; being a balance in favour of the National Bank from this purchase of £8,124 4s. 5d. Besides which direct advantage, the National Bank secures, in addition, a lucrative and promising increase to its business. The directors are happy to believe, therefore, that in making this arrangement, they have only anticipated the approbation of the proprietors. From the period of the first establishment of the National Bank up to the year 1851, there were accumulated in the hands of the directors a number of shares, either from forfeiture for non-payment of calls, or from various other causes, at a price somewhat about par. Of these shares the directors availed themselves, as far as was necessary, to effect the settlement with the Clonmel and Carrick-on-Suir shareholders, the others they have been gradually disposing of in the market, as favourable opportunities offered; and between the price they stood at in the books, and the price they have now realised, the result has been a profit of £11,976 14s. 11d.; and adding to this sum the disposable fund accruing to the bank from the amalgamation of the Clonmel and Carrick-on-Suir banks, £8,124 4s. 5d., there will be then, together, the sum of £20,000 19s. 4d. at the disposal of the shareholders. But as the accession of the business of the Clonmel and Carrick-on-Suir banks by the National Bank may fairly call for an increase of its capital, at least commensurate with the amount of local stock absorbed, the directors recommend that the paid-up capital of the National Bank, now £450,000 (being £22 10s. on 20,000



shares) shall be raised to £500,000; and to effect this object, they propose to apply, in part, the forementioned sum of £20,100 19s. 4d., and to take from the reserve fund the balance, say £29,899 0s. 8d., making together the sum required of £50,000. So that, from the 1st of January, 1857, every share will represent £25 paid up, being a bonus of £2 10s. per share in stock; and on this recommendation being approved of and adopted by the proprietors, they will receive a dividend upon £25 per share, at the rate of 6 per cent. per annum, free of income tax, in July next. The capitalising of this £29,899 0s. 8d. out of the reserve fund will temporarily reduce it to £70,534 0s. 4d., but from the present working of the bank the directors have every reason to believe that by the next annual general meeting it will have again reached, if not exceeded, the amount which it had attained at the end of last year. (Hear, hear.) The directors had to lament the loss, within a short period, by death, of two of their colleagues, R. R. Guinness, Esq., of Dublin, and James Hartley, Esq., of London; and they have now to report that, in compliance with the terms of the deed of settlement, they have filled up the vacancy occasioned by the decease of Mr. R. R. Guinness, by the election of John Harvey Lewis, Esq., high sheriff of the county of Kildare, generally resident in London. While, as a proof of the high regard in which their late friend, Mr. Hartley, was held by them, and to evince their sense of the lively interest he ever took in promoting the prosperity of the bank, the directors have unanimously selected his nephew and partner, B. H. Hartley, Esq., for his successor, and looked with confidence to his election being now confirmed. (Hear, hear.) Mr. Lewis having been elected in the place of the late Mr. Guinness, whose turn it was to have retired by rotation, as well as two others—Rowland Ronald and Jeremiah Dunne, Esqrs.—being eligible, now offer themselves as candidates for re-election. Colonel Oliphant having resigned, there is a vacancy in the direction, which may now be filled up. (Cheers.)

The Chairman, in moving that the report be adopted, said that the cheers which had accompanied the reading of it made his task a pleasing one, and rendered it unnecessary for him to trouble the meeting with many observations upon it. To the remarks which it contained respecting the continued prosperous state of Irish interests, he could have but little to add, since it was a fact which was now so clearly apparent, and so generally acknowledged. As Irish bankers, they could not but feel that much of the success of their operations mainly depended upon the prosperity of the country, and while they carefully watched the rapid strides it was making towards wealth, they met with such startling facts confirming that progression, and he was induced to lay before the meeting some few comparisons between the present state of Ireland and what it was in 1851, in order that they should never be forgetful of the manifold blessings which it had received as a nation. He need not trouble them with an array of statistical returns to prove an unquestionable fact. It would be sufficient for his present purpose if he adduced some few leading points to illustrate the most prominent features of that improvement, and first he would mention the most remarkable as it was certainly the least anticipated—that out of the whole of the property sold in Ireland under the Incumbered Estates Court, amounting to upwards of £18,000,000, four-fifths of it had been purchased by the Irish themselves. (Cheers.) Notwithstanding the absorption of so large an amount of capital as these purchases occasioned, the funded property held in Ireland had increased £5,000,000 since 1851, and the deposits in the banks had augmented to a like extent. With regard to agriculture, it was computed that 500,000 acres have been added to the cultivated area of the country within the last



few years, and that the present value of the live stock is £6,000,000 beyond what it was in 1851. For butter the demand had last year been so great, both for exportation to the colonies and for consumption in England and Scotland, that it was reckoned that no less than 1,500,000 firkins had been shipped from Ireland in the course of the year. To come, however, to results which more immediately affected their own interests, he would beg leave to refer them to the accounts on the table to show the directors' stewardship of their affairs for the year 1856. They would observe from the first account, that of profit and loss, that the profits of last year far exceeded those of any previous one, being £70,957, and that the reserve fund, after paying a dividend of 6 per cent. and a bonus of 10s. a share in July last, had, at the end of the year, reached the sum of £100,433. (Hear, and cheers.) The second account, that of assets and liabilities, showed the exact position of the bank, and they would not fail to notice from it, that after encountering rather a smart run in Tipperary, which occasioned them in the short space of six days, to send over £100,000 in gold to Ireland, and to pay £150,000 in London as the balance of exchanges against them, they had still a reserve of gold in Ireland to the amount of £748,844, to meet a circulation of £1,159,580, or two-thirds of the entire issue. (Cheers.) The capital and reserve fund were invested in Consols, and the amount of the deposits and their other resources were engaged in advances upon current accounts in Ireland, in loans on Government securities at short notice, or else employed in the discount of commercial paper, which falling due at the rate of £30,000 to £40,000 a day, must at all times be sufficient to meet any possible withdrawal of deposits, or to discharge any liability the bank is under. (Cheers.) If, therefore, it were an axiom of sound banking that a bank should always have resources at hand to meet its liabilities, but at the same time, while bearing that fundamental point in view, those resources should be employed to the best possible profit, consistent with security, then he thought the directors might justly refer them to the accounts then exhibited as the best possible proof that a strict adherence to such principles had been their guide in the administration of the affairs of the bank. (Cheers.) The accounts have been examined and audited by a committee formed from the board, whose names are affixed to them and whose reputation would, he hoped, be a sufficient guarantee for their correctness. The checking of the share register formed part of the regular routine duty of the board, and the character of those who composed that body would, he trusted, be a warranty that no advances were allowed to the directors themselves—(hear)—or to speak more plainly, that the whole united board did not owe the bank one shilling. (Loud cheers.) In that respect he did not believe that they differed from the condition of other well regulated establishments, for, notwithstanding all that had recently occurred, he had still that faith in the probity and honour of gentlemen, who from their position are generally selected to fill the office of directors of public companies, to believe, that if a contrary system did exist, it was but a solitary exception to the general practice. (Cheers.) The board now asked the shareholders to confirm the proposed grant of £2,000 in aid of the officers guarantee fund, and they did so with every confidence, feeling persuaded that such a fund would afford the bank better security for the fidelity of the officers, and in the end be of benefit to the officers themselves. (Cheer.) The amalgamation of the Clonmel and Carrick-on-Suir Banks with the National Bank would, he doubted not, be hailed with as much satisfaction by the meeting as the announcement of it had afforded to the directors, not only because of the pecuniary advantage attending it, but because of the increased business to be expected from it. (Hear.) The directors congratulated them



upon the success which had attended their careful watchfulness in the sale of the bank shares which had been so long in its possession, and trusted that they would agree with them that no better disposition of the casual gains arising from the amalgamation of the Clonmel and Carrick-on-Suir Banks, and from the sale of these shares, could have been devised than that which was recommended in the report, for although the proposed bonus of £2 10s. per share, which it was intended to capitalise, so as to raise the capital of the bank to £500,000, must temporarily trench upon the reserve fund, yet they had every reason to believe, from the present working of the bank, that before the next annual meeting that fund would have reached a higher maximum than it had yet attained. The directors were sure that the shareholders would sympathise with them in the feelings expressed in the report at the loss they had sustained by the death of their two friends and colleagues, Mr. Guinness and Mr. Hartley, and they hoped that the selection which they had made of two gentlemen to fill their places would meet with the approbation of the meeting. In conclusion he had to move that the report be received, adopted, and circulated amongst the proprietors. (Cheers.)

Mr. M'Evoy Gartlan said he felt much pleasure in seconding the motion. He had discharged the same duty on previous occasions, but never with such pleasure as on the present. The report and statement made by the chairman were so ample and so satisfactory, that there were no questions for any shareholder to ask. He was glad to be able to add his testimony to that of the chairman, as to the increasing prosperity of Ireland. It was impossible for any person to visit the country and not be struck with the marked signs of improvement. He considered that the manner in which the directors had conducted the negotiation for the amalgamation with the Clonmel and Carrick Banks reflected the highest credit on them. It would have been impossible to effect the junction at a more favourable time or on better terms. (Hear, hear.)

The resolution was then put, and carried unanimously.

Mr. Smithwick said he was a resident of the district in which the recent run had taken place, and could bear testimony to the increased confidence in the stability of the bank. After a very short period the persons who had drawn out the money hastened to lodge it again. (Hear, hear.)

In answer to a question

The Chairman stated that there still were a few shares in the hands of the company undisposed of.

The election of Mr. Hartley to a seat on the board was confirmed.

The retiring directors, Messrs. Jeremiah Dunne, R. Rolland, and J. H. Lewis, were re-elected.

Mr. Major Osborne was elected a director in the room of Colonel Oliphant, who retired.

The usual votes of thanks were then given and the proceedings terminated.

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### HIBERNIAN BANK.

THE half-yearly meeting of the proprietors was held at the bank in Castle Street, on the 2nd June. The report announces that affairs continue in a most prosperous condition, and merely recommends for adoption the payment (out of clear profits) of a dividend at the rate of 6 per cent. per annum (free of income tax) for the six months ended the 1st of May last. A suggestion was made by a director to the effect that the Hibernian Bank should have the right to issue notes as well as the Belfast and the Northern



Bank, both of which, it was urged, by the exercise of that privilege, had realised large profits. The suggestion was favourably received, and, after some discussion, it was resolved that an effort should be made to obtain for the bank the privilege enjoyed with so much advantage by similar companies. The report having been unanimously adopted, the meeting separated.

### BANK OF BRITISH NORTH AMERICA.

THE twenty-first yearly general meeting of the proprietors of this bank was held on the 2nd of June, at the offices in St. Helen's Place, Mr. J. J. Cummins in the chair.

The advertisement convening the meeting having been read,

The secretary proceeded to read the following report and statement of accounts :—

The accounts which have been placed in the hands of the proprietors exhibit a diminution in the profits of the bank for the last year, as compared with that of the previous year, amounting to £6,132 4s. 2d. The disposable profit, however, after deducting bad debts, and making provision for probable loss on doubtful dependencies, amounts to £90,943 18s. 6d., a sum which enables the directors to declare the usual dividend at the rate of 6 per cent. per annum, together with the same amount of bonus as that paid for each of the last two years, namely, £1 10s. per share, this latter being free of income tax, which leaves a sum of £948 18s. 6d. to the rest. The directors consider it right to state that the accounts received from the branches for the first four months of the present year do not exhibit profits equal to those of the corresponding period last year; and they take this opportunity of reminding the proprietors of that which has been previously stated by the court, that the amount to be paid as bonus must always be dependent on any surplus which may remain beyond a dividend at the rate of 6 per cent. per annum. That considerable monetary pressure does exist in the North American provinces is well known to those connected by trade with that portion of our colonial empire, and there can be no difficulty in accounting for the occurrence of such a pressure. The fact that the interest of money has for some time ruled at a higher rate in England than that which the laws prevailing in Canada, and the adjacent colonies, allow to be charged, must have had a considerable influence in withdrawing capital from thence, as well as preventing its introduction. The continuance of a financial policy so opposite to that adopted by the mother-country has attracted the serious attention of some of the colonial legislatures, and may probably lead to a beneficial alteration in that important matter. It must also be borne in mind that, for the last three or four years, large expenditure has taken place in the construction of railroads and other improvements; the internal trade of British North America has been stimulated in a proportionate degree; and a general enhancement in the cost of all commodities has taken place, and, which is of still greater importance, a vast increase in the value of real estate. Many of these works have advanced towards completion; and there is at present a considerable diminution in the outlay, which, with the cause already alluded to, has tended to produce, as a necessary consequence, the reaction which is now felt. There can be no doubt, however, that great benefit will result from the opening up of the country, and the general improvement thus accomplished. Under such circumstances, the directors look with confidence to an early return of progressive and permanent improvement in



the prosperity of these great provinces. The sum in the balance-sheet at the debit of outlay on bank premises, which stood in the former account at £42,000, now stands £44,500. The actual sum expended during the year in the purchase of land and the erection of buildings at London, O. W., Brantford, and Three Rivers, was £5,289 8s. 3d.; but £2,789 6s. 3d. was written off as deduction from the profits. The branch at Newfoundland will be closed, and the business discontinued, on the 30th of the present month, a new local bank taking the place of the branch. The directors have been led to this step from a conviction that the capital heretofore employed in that island could be more profitably used at their other branches. The usual statement of accounts will now be read; and the directors have pleasure in announcing that they have declared a half-yearly dividend at the rate of 6 per cent. per annum, and that, in addition thereto, they have appropriated as a bonus to the shareholders a portion of the undivided profits to the extent of £30,000, being 30s. per share, or 3 per cent. on the capital stock of the bank, which will be payable on and after the 6th of July next.

"Balance-sheet, December 31, 1856.—Liabilities: Capital, £1,000,000; circulation, £586,202 17s. 2d.; deposits, £529,745 9s. 7d.; bills payable and other liabilities, £688,150 14s. 6d.; reserve for Christmas dividend, £30,000; undivided net profit, £146,061 8s. 4d. Total, £2,980,160 9s. 7d. Assets: Specie and cash at bankers', £302,537 19s. 3d.; bills receivable and other securities, £2,633,122 10s. 4d.; bank premises, £44,500. Total, £2,980,160 9s. 7d.

"Profit and loss account to December 31, 1856.—Dividends and bonus declared as follow:—At Midsummer, 1856, payable July, 1856, dividend £30,000 bonus £30,000—£60,000; at Christmas, 1856, payable January, 1857, dividend, £30,000—£90,000; balance in hand, being undivided net profit to December 31, 1856, £146,061 8s. 4d. Total, £236,061 8s. 4d. Balance of undivided net profit to December 31, 1855, £145,117 9s. 10d.; net profit for the year 1856, after deduction of all current charges, and providing for bad and doubtful debts, £90,943. 18s. 6d. Total, £236,061 8s. 4d."

The Chairman rose and said, the report of the directors had so distinctly conveyed the united mind of the board to the proprietors that there was very little left for him to say on this occasion. The pressure which certainly existed in the Canadas had been pointedly alluded to and accounted for. It was to be expected that a disturbance in monetary affairs would occasionally occur in a young country, and when they considered the gigantic strides which had been made in Canada in the last four years, it could not be a matter of surprise that a transition from a state of war to that of peace should have occasioned some slight re-action; but really such a re-action as that which had occurred could only be compared to the retiring wave of an advancing tide, and he was satisfied that no long time would elapse before Canada would be advanced to a degree of prosperity that few persons of the present day could imagine. It was impossible this should not be the case when they considered the thousands of miles of railroads in that country approaching completion or already made, and the other great advantages which it possessed. He would not, however, dwell further on these subjects, because the time of the meeting would be occupied on other matters. The result of the accounts was in the hands of the proprietors, and if there was any matter upon which explanation was required he should be happy to give it, and they would afterwards proceed to the other business of the day.

A long discussion ensued, principally relating to the mode of rendering



the accounts, in which Mr. Josiah Wilson and Mr. Borradaile took part, Mr. Wilson suggesting the propriety of stating, as a separate item in the balance-sheet, the amount of the reserve fund held against bad and doubtful debts, which fund the chairman explained was in addition to the balance of undivided net profits appearing in the balance sheet.

It was then moved that the report be received and adopted, and printed, as usual, for the information of the proprietors.

The motion having been carried unanimously,

The Charman said they would now proceed to the re-election of those directors who had retired by rotation; and after that question should be decided by the meeting they would proceed to the election of a director in the room of Mr. John Stewart, who, from a feeling of increased bodily infirmity, especially in reference to his hearing, had resigned his seat. He might be permitted to say that Mr. Stewart was greatly esteemed by the directors, both as a friend and as a colleague. The directors retiring by rotation, were Messrs. Oliver, Farrar, Wm. Chapman, and Robert Carter, whose names he would put *seriatim*.

This having been done, these three gentlemen were unanimously re-elected.

The Chairman next announced that the candidates who were duly qualified, who had come forward to represent the vacancy on the board, caused by the retirement of Mr. Stewart, were Messrs. Edward Billing, Frederick Charman, John Bloxam Elin, and John Ranking.

Mr. Billing rose and said, that after giving the matter due consideration, he had resolved not to contest the election, as he found there was a unanimous feeling in favour of a previous candidate; though he felt he had some claims to the post he aspired to. He had resided twenty years in the colony, and he had been a director of a bank in Nova Scotia for a period of fifteen years, and, therefore, had a knowledge of local banking business. He had been a holder of stock almost from the commencement of the bank, and felt a great interest in its prosperity, and on a future occasion he should again offer himself.

Mr. Ranking, who also addressed to the same effect, retired from the contest.

Mr. Charman said he had stated in his circular to the proprietors that he had been a large proprietor in this bank for many years. He was present when the institution was first proposed, and he was well acquainted with the banking business in the colonies. He did not know whether these facts would give him greater claims to a seat at the board, and he left the matter in the hands of the meeting. He should certainly test the question with Mr. Elin.

A proprietor begged to inquire what amount of stock each proprietor held?

The Chairman said both gentlemen were large proprietors. He begged to say, however, that when gentlemen came forward as candidates, being duly qualified by holding the requisite number of shares, they came forward on an equality.

A proprietor asked what was the qualification of a director?

The Chairman replied, twenty-five shares.

Mr. Borradaile said he did not think it was either becoming or at all necessary to question individuals as to the number of shares they held. One man holding only fifty shares might be as valuable a member of the board as another who held 500. He trusted that the test of eligibility would not be confined the number of shares held by the respective candidates. (Hear.)



Mr. Elin stated he was a director in two other colonial banks, and had been engaged in business in the West Indies, as a merchant, and also as a banker, prior to the establishment of a joint-stock bank there. He should be happy to give his attention to the interests of this bank. His present business engagements did not take up much of his time, and having leisure, he would devote all his energies to the promotion of the interests of the proprietors. In the event of his falling into ill-health, or living out of town, or being in any way incapacitated from attending to his duties punctually, he would immediately resign his post. He left his case in the hands of the proprietors.

Mr. Charman said, he was differently situated from the last speaker, and founded his claim on their support on the fact that he was not a director in any other bank; but he had a large interest in that bank. He had resided twenty-five years in the colony, and had carried on a little banking business there on his own account—(a laugh)—and therefore he knew the ins and outs of the business. If, however, Mr. Elin was elected, he would not find fault, but he thought it right the thing should be tested.

Mr. Josiah Wilson did not think they should adopt the principle or position assumed by the last speaker. There were oftentimes people who had a very large amount of interest in undertakings who were the most inefficient and objectionable parties to be found. (Hear.)

After a few words from Mr. Elin,

The Chairman said he felt that what had fallen from one of the candidates compelled him to make a remark on two statements which were contained in that gentleman's circular. Mr. Charman, in his letter addressed to the proprietors, stating his intention to offer himself for the vacant seat, said, "he was free to confess that he had not the support of the directors—he believed there was no prejudice on their part to him, but that they had a prepossession in favour of another; but if this principle was carried out, there was a death-blow to free elections, &c." Upon that he (the chairman) must be allowed to remark that the course adopted at that board had uniformly been for the directors collectively as well as individually not to pass an opinion upon the merits of any candidate until after the whole of the candidates' names were before them. The directors then consulted together as to whom they should individually support; and for the purposes of that unanimity which was so necessary in all large establishments, the gentleman who was most satisfactory to the majority of the directors commanded the votes of the whole court. (Hear, hear.) Such was the case with Mr. Elin. He believed he was not known to many of the court; but they had become acquainted with that gentleman's high character and fitness for the position of director. Now, another statement in the same circular declared that none of the directors had resided in the colony; but what was the fact? One director had resided in the colony twenty-three years; another, eight or nine years; and another was connected with one of the most influential firms in Canada, where, as in London, he believed no man could be more respected than he was. (Hear, hear.) He would now put the question, and would take the name of Mr. Charman first, as his name stood first in alphabetical order.

The Chairman then put the question, "that Frederick Charman, Esq., be elected," when three hands only were raised in the affirmative, and he was declared not elected.

The question was then put, "that John Bloxam Elin, Esq., be elected." which was carried in the affirmative and without opposition, and the chairman declared him duly elected.

Mr. Elin having briefly returned thanks,



Mr. Josiah Wilson moved a vote of thanks to the chairman and directors in highly complimentary terms, and the motion was seconded by Colonel Bazalgette and carried by acclamation.

The Chairman briefly returned thanks, and the meeting broke up.

### BANK OF AUSTRALASIA.

THE twenty-third annual meeting of the proprietors of the capital stock of the Bank of Australasia was held at the bank, Threadneedle-street, on the 8th of June. Mr. T. Wingate Henderson, chairman of the board of directors, in the chair.

The directors have the satisfaction of presenting to the proprietors the following statements of account, showing the result of the transactions of the bank for the year to 13th October, 1856. The profit and loss account at that date stood as follows:—

Balance at the credit of profit and loss, 15th October, 1855, as per last report	£200,667	16	11
Net profit in the year to 13th October, 1856, provision having been made for bad and doubtful debts, income tax, &c.	181,110	0	6
	<u>£381,777</u>	<u>17</u>	<u>5</u>

Divided among the proprietors:—

At April, 1856, a dividend at the rate of 6 per cent. per annum, and a bonus at the rate of 14 per cent. per annum, making together £4 per share	£90,000	0	0
At October, 1856, the same	90,000	0	0
	<u>180,000</u>	<u>0</u>	<u>0</u>

Balance at the credit of profit and loss, 13th October, 1856 £201,777 17 5

Out of which have been paid the April dividend and bonus for the current year, amounting to £90,000.

The assets and liabilities were:—

ASSETS.			
Specie and cash at bankers	£1,458,560	8	6
Government securities and loans	530,009	10	6
Guarantee fund investments	200,000	0	0
Bills receivable and other securities for advances	2,802,279	0	6
Bank premises in the colonies and in London	98,991	0	5
	<u>£5,089,839</u>	<u>19</u>	<u>11</u>
LIABILITIES.			
Circulation	£639,077	0	0
Deposits	2,630,318	7	3
Bills payable and other liabilities	428,666	15	3
	<u>£3,698,062</u>	<u>2</u>	<u>6</u>
Capital	£900,000	0	0
Guarantee fund	200,000	0	0
Dividend and bonus due 14th October, 1856	90,000	0	0
Profit and loss balance	201,777	17	5
	<u>1,391,777</u>	<u>17</u>	<u>5</u>
	<u>£5,089,839</u>	<u>19</u>	<u>11</u>



It will be in the recollection of the proprietors, that in the last annual report, as well as in the statement submitted in December, the directors adverted to the the unsettled character of the markets in Australia. They have now to state that the spirit of over-speculation, though moderated, has not yet wholly subsided, and that the progress of recovery in mercantile affairs has been consequently retarded. The gold fields have increased in productiveness, and continue to exercise a beneficial influence over the general prosperity of the colonies. At the same time the directors have to observe that the profits on exchange operations, which form an important department of banking in Australia, have, throughout the year under review, been unfavourably affected by the relatively high price of gold. The directors have to announce that, since the commencement of the present year, the bank has been acting under the provisions of the new charter, granted by the Crown for another term of twenty-one years, and in which some advantageous alterations have been made, the limited liability of the shareholders remaining unchanged. The foregoing figures represent the state of the accounts at the yearly balance in October last. The directors have since received advices from the colonies down to a recent date, which, although still exhibiting the effects of over-stocked markets, and a continuance of the high price of gold, will not interfere with their intention of declaring a dividend at the rate of 6 per cent. per annum, or 24*s.* per share, and a bonus at the rate of 14 per cent. annum, or 56*s.* per share, for the current half-year, being at the rate of 20 per cent. per annum, payable on 13th October next, free of income tax.

The chairman said he could sincerely congratulate the shareholders on their assembling for the first time under the new charter, which had been granted by the crown for a term of twenty years. It was his pleasing duty to state that the charter was most satisfactory, containing no alterations whatever but such as had been suggested by the directors themselves. (Hear, hear.) Taking a retrospective view of the company's affairs, it was most gratifying to state that a dividend of 20 per cent. had been declared, provision having been made for bad debts, &c. They had also a guaranteed fund at the close of the year of £200,000. (Hear, hear.) And he felt that he might say that such a state of things was unexampled in modern banking operations. The chairman then alluded to the only two important points in the new charter. The first prohibited the company lending money on the security of houses, lands, &c.; the second placed the corporation on the same footing as other banks as regards the extent of business. It might be thought by some that the asset representing the bank premises, £98,000, was rather a large sum, and it might be supposed that the directors had been indulging in bricks and mortar; but such was not the fact; they were forced into the outlay, and he, the chairman, could confidently assert, that with one exception the whole of the buildings in the colony were erected with the greatest economy: there were 16 or 17 branches, and it was a well known fact that another bank, transacting not more than half the business, had expended £140,000 for a like purpose. (Hear, hear.) The real value of the premises was in excess of what appeared on the books, and it was the desire of the directors to keep it so. It was with great pleasure that he had to announce that the affairs in the colony were as prosperous as they had been for many years. The greatest credit was due to the company's servants, and whilst it would be impossible for him to particularise each, he could not do less than mention the names of Messrs. Falconer and M'Arthur, whose conduct was beyond all praise—to such exertions much of the success of the undertaking was due (Hear, hear.) As a most convincing proof of the prosperity of the speculation, he



would state, for the information of the proprietors, that during the past week £200,000 worth of gold had been received from the colony. (Hear, hear.) In addition to this he might say, that according to the Board of Trade returns they stood third on the list, America and India only preceding them, and from the position of the latter it might be inferred that in a very short time they would surpass her. (Hear, hear.) No doubt they had all seen in the newspapers, that a project had been alluded to for establishing a bank of issue in the colony. He was happy to be able to state that information had reached the board from the colony that the projects had been abandoned—(hear, hear)—and, according to the opinion of those best informed upon the subject, it would not again be resuscitated. (Hear.) This information had, moreover, been confirmed by colonists who had recently arrived in England. At the same time it was only right to state that, according to the latest advices, a commission was sitting upon the question of banking generally in the colony; but there was no reason to suppose that there was any probability that any step would be taken which would be calculated to prove injurious to their charter. (Hear, hear.)

The chairman having replied to a few questions put by Messrs. Henriques, Moor, Wilson, and other proprietors, the report was unanimously adopted.

The names of the three retiring directors were then put to a show of hands, and Messrs. Barnard, Helme, and Meek, were declared to be unanimously elected.

Upon the motion of Mr. Wilson, seconded by Mr. Kemerston, a vote of confidence in and thanks to the directors and chairman was unanimously agreed to, and the proceedings terminated.

#### SOUTH AUSTRALIAN BANKING COMPANY.

THE sixteenth annual meeting was held 23rd June, Mr. Divett, M.P., chairman of the directors, presiding.

Mr. W. Purdy, the manager, read the advertisement convening the meeting, and afterwards the following report of the directors:—

The condition of South Australia during the past year has been such as to require increased caution in the management of the company's affairs. Enjoying, as the colony does, a high state of general prosperity, there are, nevertheless, circumstances connected with the neighbouring settlements, which place a temporary check on that rapid progress which has so long marked its history. There is little room, however, to doubt its continuing to be an attractive field for enterprise in several departments of industry, in which the capital embarked must greatly extend its productive power. Useful public works are now rapidly progressing; the exports show an annual increase; and well-sustained efforts are directed towards securing a further advance of the general welfare. The commercial classes still complain of overstocked markets, which more prudent imports can alone correct; but the pastoral and mining pursuits are rewarded by most remunerative rates for their produce, while the recent harvest has been the largest ever known. The profit and loss account of the company for the year shows the following results:—

Undivided on 26th May, 1856	...	...	...	...	£38,842	8	0
Appropriated to reserved fund	...	...	...	...	3,885	0	0
Carried forward	...				£34,975	8	0



			Brought forward	£34,975	8	0
Net profits in Adelaide and London for 1856-7	...		...	43,170	4	11
				£78,127	12	11
Dividend, July, 1856	...	...	£15,000	0	0	
Ditto, January, 1857	...	...	15,000	0	0	
Income-tax	...	...	2,480	0	0	
				32,480	11	3
Balance on 25th May, 1857	...	...	...	£46,647	1	8

The usual addition of 10 per cent. to the reserved fund will equal £4,565 and make that account £55,669 8s. The net divisible profits, therefore, will be £41,082 1s. 8d., and the court of directors recommend a dividend for the ensuing year of 12 per cent., payable in half-yearly instalments, free of income tax. The annual accounts having been duly audited, are now subjoined:—

LIABILITIES.						
Circulation	...	...	...	...	£133,697	0 0
Deposits and current accounts	...	...	...	...	456,072	19 5
Debts due to colonial banks and other liabilities	...	...	...	...	65,839	2 6
Bills payable	...	...	...	...	43,069	13 1
Dividends not applied for	...	...	...	...	23	15 0
Capital paid up	...	...	...	...	300,000	0 0
Reserved fund	...	...	...	...	55,669	8 0
Profit and loss	...	...	...	...	41,082	1 8
Total	...	...	...	...	£1,095,453	19 8
ASSETS.						
Coin and bullion	...	...	...	...	£268,567	11 9
Bills receivable and securities	...	...	...	...	711,229	11 8
Debts due from colonial bills and other assets	...	...	...	...	54,952	13 4
Open policies, &c.	...	...	...	...	1,581	18 3
Bank premises and furniture	...	...	...	...	8,718	2 11
Investments for reserved fund	...	...	...	...	50,404	1 9
Total	...	...	...	...	£1,095,453	19 8

"During the past year a branch has been opened at Port Adelaide, and the objects in view at its establishment have been already realised, while in future, it is hoped, it will further facilitate business. The colonial affairs continue under the zealous management of Mr. George Tinline, aided by the experience and judgment of the local board, whose services greatly promote the prosperity of the company. The court of directors have obtained from the Lords Commissioners of her Majesty's Treasury permission to increase the capital from £300,000 to £400,000; and it is proposed to hold forthwith the two special general meetings necessary to ascertain the shareholders opinions on this measure. The resolutions to be submitted will have for their object the creation of 4,000 new shares, to be issued at par to the present proprietors, and the payments to be so regulated, that the enlarged operations of the company will be gradually and cautiously developed. There are increasing opportunities for the employment of this



additional capital, which it is believed will prove equally conducive to the general interests of the colony, and the future prosperity of the company.

"EDWARD DIVETT, Chairman,

"By order of the Court,

"WILLIAM PURDY, Manager."

The chairman said that he should postpone his observations upon the proposed increase of capital until the special meeting was held; but he should, nevertheless, be glad to answer any questions which gentlemen might be pleased to put to him. He then moved the adoption of the report.

Mr. Story, in seconding the motion, referred to the increase of 2 per cent. in the dividend as satisfactory evidence of prudent management on the part of the directors.

Dr. Beattie also expressed his perfect satisfaction with the statement submitted to the shareholders.

A shareholder inquired whether any provision was made for bad debts.

The chairman replied that before making up the profit and loss it was their practice to write off everything which had even the suspicion of being a bad debt. Stringent instructions to that effect were also sent to the local manager at Adelaide, and he believed those instructions were strictly adhered to. (Hear, hear.)

Mr. Watson said it was very gratifying to see a reserve fund of 55,000, but he should like to know whether the money was so invested as to be immediately available.

The chairman applied in the affirmative. Of £50,000 (excluding that now to be added), £28,000 was invested in the Three per Cents.; £16,000 in colonial bonds, and £6,000 on a railway mortgage deed. (Hear, hear.)

Mr. Watson would prefer seeing the whole amount invested in the funds.

The chairman said that would bring them only 3 per cent., and as the railway debentures were guaranteed by the colonial government, the money so invested produced 6 per cent., with equal safety. (Hear.)

Mr. Watson thought, at all events, they ought to add the interest to the reserve fund itself.

The chairman was of the same opinion personally; but other gentlemen differed from his views, therefore another course was adopted.

A shareholder said he made a practice, when the dividend exceeded 6 or 7 per cent., of putting by the excess as a reserve fund for himself, and he advised other shareholders to provide for a rainy day in the same way. (Hear.)

Another shareholder said it was a question of some delicacy; but after what had recently happened with the British Bank, he should like to ask whether any of the directors made use personally of the money of the company?

The chairman decisively replied in the negative, and said it would be perfectly monstrous for them to do so. (Hear, hear.)

The report was then adopted.

Mr. Heath moved the declaration of a dividend of 12 per cent., according to the recommendation of the directors' report.

Dr. Beattie seconded the motion.

Admiral Meynell inquired what old debts there were in the colony?

The chairman said he knew of none, except those which had been written off years ago, and one of these, to the amount of £3,000, there was not a prospect of recovering. (Hear.)

Mr. Timpson expressed his satisfaction at the establishment of a branch at Port Adelaide, and inquired whether other branches were in contemplation?

The chairman said that branch had been forced upon them by circum-



stances connected with the exchange of bullion ; but he did not think others would be established at present.

The motion was then agreed to.

Upon the motion of Admiral Meynell, the retiring directors and auditors were re-elected, when

Mr. Wells, as auditor, returned thanks, assuring the shareholders that he had himself seen the securities, and ascertained that they were fairly represented in the accounts.

Mr. Brassey moved, and Dr. Beattie seconded a vote of thanks to the chairman and directors for their excellent and faithful management of the company's affairs ; and, upon the motion of the chairman, the thanks of the meeting were carried to Mr. Purdy the London manager, and Mr. Tinline, the manager at Adelaide, and also to the local board for their efficient services.

The meeting having been made special for the purpose of authorising the creation of additional capital as recommended in the report.

The Chairman said it would be necessary, if the proposal were assented to, to hold another meeting for confirmation on the 10th July. It was unnecessary to say much upon the subject, because he had scarcely heard an objection urged against the proposal, and it must be apparent to all that there had been a great extension of their business, which rendered an increase of capital necessary. (Hear, hear.) In 1852, they increased their capital from £200,000 to 300,000, and then the great gold discoveries took place, which, for a time, gave them a superabundance of money ; but the bullion fever being over, they soon found it necessary to have their capital in operation, and it had then been fully and profitably employed. The additional capital now asked for, by giving them plenty of money to meet demands at both ends, would obviate the necessity, he hoped, under any circumstances, of sending bullion from the colony to England, or coin from England to the colony. In 1852, the amount of bullion received from the colony was £64,000 ; in 1853, it was £747,000 ; in 1854, £543,000 ; in 1855, £68,000 ; and in 1856, £51,000 ; and the shareholders, perhaps, would be surprised to learn that, in the two great years, the sum paid for the exportation of bullion amounted to £41,000, while, for 352,000 sovereigns sent out during the same period, the sum paid was £7,000. (Hear.) It was not the intention of the directors to relax their credits at the other end, but the progressive increase of business rendered the additional capital necessary, and he hoped the meeting would give its assent. In conclusion, he moved the resolutions authorising the increase of from £330,000 to 400,000.

Mr. W. Richards, a director, seconded the motion.

Several questions were put by different shareholders, in reply to which,—

The Chairman said, it was intended to make the new shares payable by instalments, the first of which, of £10, would be called in October next, and the others of £2 10s. each, at intervals of three months up to April, 1859 ; and that the shares would be distributed at par, among present shareholders, in the proportion of one to every three now existing.

The resolution was then agreed to, and the meeting separated.

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## Communications.

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### STAMP ON INLAND BILLS DRAWN IN SETS.

SIR,—In the course of my business I am occasionally required to draw a set of bills on my London correspondents for transmission and negotiation abroad. These clearly come under the denomination of "Inland bills of exchange," and I shall feel obliged if you will state in your next number whether I am right in drawing one of a set of three for £500 on a 5s. stamp, being the full amount of duty, and the other two of the same set on unstamped paper, or whether each bill should bear stamps for 1s. 8d., marking it of course, 1st, 2nd, or 3rd, as the case might be; or is it optional?

I remain, sir, your very obedient servant,  
AN OLD SUBSCRIBER.

12th June, 1857.

[We shall be glad to receive information from any of our correspondents on this question.]

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### CHEQUES ON DEMAND.

SIR,—Are cheques on demand reindorsable as bills of exchange?

There appears no uniform practice; some bankers take no heed beyond the first or the name of the payees; others insist on the regularity of all as in a foreign bill of exchange. Will you give your valuable opinion, and oblige,

A CASHIER.

[We think the cheques are reindorsable, but that the bankers are not bound to inquire into the authenticity of the indorsements. See 16 and 17 Vict., c. 59, s. 19.]

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### INDORSEMENT.

SIR,—Will you be good enough to say, in your next, whether the addition of the compellation of an indorser to his name, voids the indorsement, e. g., "Pay Mr. A. B." or order. Indorse—"Mr. A. B?"

I am, your obedient servant,

29th June, 1857.

B.

[We think the Bank of England objects to such an indorsement; but we doubt if they are justified in so doing. We consider the indorsement valid.]

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### ALTERING CHEQUE.—AFFIXING STAMP.

SIR,—Will you oblige me by answering the following inquiry in your next number, or when convenient:—

A. draws a cheque upon his bankers (who are within the fifteen miles), payable to "B. or his order," without putting a stamp on it; can the bankers refuse to pay this cheque to a third party, unless indorsed by B.,



and a stamp be put on; or may the person presenting it cross out the words "or order," and substitute "or bearer?"

I am, Sir, yours obediently,

Leeds, 26th May, 1857.

A BANKER'S CLERK.

[The bankers are quite right to refuse payment of the cheque until the stamp has been placed on it, and B. has indorsed it. The cheque cannot legally be altered by any party but the drawer, and then before negotiation.]

## Notes of the Month.

**FLOW OF SILVER TO THE EAST.**—Immense as was the import of bullion in the last official year, it has already been far exceeded in the nine months only which have elapsed of the current one, and we shall be within the mark, if we estimate the quantity of bullion retained this year in the country at £10,000,000 to £12,000,000 sterling. Now, if we take as the starting point of the recent demand for silver the year 1850–1851, and compare the average of the seven last years with that of the sixteen preceding, we find that for the former we have an annual amount of the precious metals retained in the country of £5,500,000, against an annual accumulation of only £2,000,000 previously. In other words, India is wealthier to-day by nearly forty crores of rupees than she was in 1850 in the precious metals alone, making no account whatever of her increased wealth in landed and personal property, and in public and private works of improvement, throughout the vast extent of her territories.

**THE NEWCASTLE BANK.**—The case of *Walker v. McDowell* has again been before the Irish Court of Queen's Bench, upon a demurrer to the replication of the plaintiff. It was an action by the official manager of the Newcastle Bank against Mr. Vincent Scully, to recover £25,000, the amount of a judgment obtained against the official manager of the Tipperary Bank. The defendant pleaded that he was not liable, not being a member or contributor of the bank, having made a transfer of his shares. In reply, the plaintiff pleaded that the transfer was fraudulent, as certain conditions required by the Bankers' Act were not complied with; and several facts were set out in the replication to show that the transfer was secret, and that dividends were subsequently received by Mr. Scully. The plaintiff demurred to the replication on the ground of duplicity and embarrassment, and contended that some of the averments should be struck out. After a protracted argument, counsel on both sides agreed to have an issue raised upon two of the pleas as to whether the transfer was covinous and fraudulent, and upon another plea as to whether Mr. Scully was a member of the bank. A similar arrangement was come to in an action to the same effect against Mr. T. Hone. An application was also made on the part of Mr. Hone, and acceded to by the Court, to allow him to file two additional pleas in action against him on the same grounds, and to let his case abide the decision of the Court upon the demurrer taken by the plaintiff in the action against Mr. Scully, with a view to determine the legal questions.

**IMPROVED DECISIONS IN BANKRUPTCY.**—Though it is said that Mr. Commissioner Holroyd does not belong to a class of judges who have an ambition to win popularity, who are ever making attempts to mix up their judgments with some appeal to popular sentiments; yet we cannot but think that he has of late felt the influence of a prevailing general opinion, and has in consequence been at least unusually careful, if not severe, in his judgments in the Bankruptcy Court. His legal denunciation of the conduct of the directors of the Royal British Bank



attracted universal attention, and was deservedly admired for its research and its conclusions. Again he has pronounced, in the case of a bankrupt, named Thomas Ryder, another elaborate judgment, which ended in his refusal to grant the bankrupt a certificate, allowing him, however, protection for twenty-one days, to enable him to appeal. The just grounds for this decision were, that the bankrupt, though a trader, had gambled in time bargains on the Stock Exchange, had traded recklessly, and had made untrue representations of his circumstances to obtain credit. No person, except the bankrupt, is likely to find fault with the judgment; and we have only to praise it. Like the same learned gentleman's judgment as to the Royal British Bank, it will do a great deal of good. Such judgments give an importance to proceedings in bankruptcy which they have hitherto wanted. The withholding of a certificate, in conjunction with weighty reasons for the decision, is nearly equivalent to degrading a man for life, and we know no ordinary punishment more severe. It will increase the sense of responsibility in all commercial men, and make them more careful. They will at once learn that the process of whitewashing is neither so easy nor so certain as it has been at least generally represented. In fact, these two judgments of Mr. Commissioner Holroyd mark a change, if not in the actual administration of the law in bankruptcy, in what it was supposed to be, and will certainly effect a beneficial alteration in the popular opinion on the subject.

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**FAILURE OF THE KETTERING BANK.**—The suspension was announced on the 9th of June of the bank of Messrs. Gotch and Sons, of Kettering. The firm was an old one, having been established sixty-five years back, but its liabilities are not supposed to be very large. It was a bank of issue, with a circulation limited under the act of 1844 to £9,192, and according to the last published returns its total of notes out was £8,792. The bank was in difficulties in 1825, from which it recovered, but for some time lately its position had again been regarded as doubtful.

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**THE TIFPERARY BANK.**—In the Irish Court of Chancery lately, a motion was made in the case of *M<sup>r</sup> Dowell v. Pepper*, for an order of reference to the Master under the 15th section of the Chancery Regulation Act. The petition prayed for a receiver and a sale of the respondent's property, on foot of certain calls made against him as a shareholder, which had not been paid. The suit was, it was stated, framed as a mortgage suit, and was similar to proceedings instituted against Mr. James Sadleir and other shareholders. The Chancellor had some difficulty in knowing how to deal with the case. The petition was framed as in a mortgage suit, regarding the calls upon the respondent as mortgages on his property, although it was very doubtful if they were so. He (the Chancellor) had formed no opinion on the subject, but he believed the question, which was a most important one, was raised in some other cases of a similar character, in which orders of reference had been made. It was, he believed, so doubtful, that at that moment there was a bill before Parliament, in which there was a clause declaring those charges to be mortgages, which was a sort of admission that they were not so now. It was, of course, impossible to say whether the bill he referred to would pass or not, and it might be necessary to have an adjudication on the point. For the official manager it was contended that there was a case in Master Brooke's office, in which the question was raised by Mr. James Sadleir to have it decided whether those calls were mortgages or not. It was a very serious question, and one that should be settled sooner or later. The bill before Parliament prayed for a declaration that these charges were mortgages, and it was generally considered that even if the bill did not pass they would be held to be so. The Chancellor, in reply, said the question was a most important one, as regarded both the shareholders and creditors, and that it would no doubt have to be adjudicated upon. He (the Chancellor) would make an order for a receiver, but not for a sale.



**REFUSAL OF A CERTIFICATE TO A BANKRUPT BANKER.**—At the Bristol Bankruptcy Court on the 16th of June, a certificate was refused to George Worrell Jones, banker, Crickhowell. In his judgment his Honour (Mr. Commissioner Hill) observed that the Bankrupt Law was not meant to hold out its benefits to persons who systematically set at nought all the safeguards against ruin which honest traders had devised for their own protection and that of their creditors, and which now formed the established usages of commerce. In this case it was quite clear that the bankrupt had neglected these safeguards, and he must therefore now bear the consequences of the conduct he had pursued. His claim to a certificate was disallowed, but, in consideration of his advanced age, and that his services would be required in realising the estate, protection would be granted, liable to its discontinuance on its being shown to the Court that it was no longer deserved. The deficiency apparent on the bankrupt's balance sheet is little short of £40,000, and the dividend is not expected to be more than 1s. 6d. or 2s. in the pound.

**THE ESTATE OF FARLEY, TURNER AND CO.**—At Kidderminster the first dividend of 10s. in the pound from the estate of the late Farley and Turner, bankers, through the instrumentality of the Court of Chancery, has given the highest satisfaction to the trading community of that town. It is understood that a second dividend will be announced very shortly, and that the favourable anticipations set forth in the balance-sheet will be fully realised.

**STATISTICS OF SILK.**—In 1856 there were imported into the United Kingdom 17,993 cwts. of knubs or hanks of silk and waste silk, 7,383,672 lbs. of raw silk, and 853,015 lbs. of thrown silk. Of the raw silk the greater portion came from China and Egypt. The imports from the latter country have enormously increased, while those from East India have as strikingly decreased. France figures for 157,559 lbs. of raw silk, and for Turkey 197,062 lbs. France and China almost monopolise the trade in thrown silks.

**DEFALCATIONS OF OFFICERS OF SAVINGS BANKS.**—A return just published gives full particulars of defalcations discovered to have taken place in savings banks since the 1st of July, 1851, with all the correspondence thereto relating. Defalcations have taken place in the following banks, viz.:—in the Ongar branch of the Romford Savings Bank, the Dunmow Bank, the Newport (Isle of Wight) Bank, the Runcorn Bank, the Bradford (Wilts) Bank, the Southport Bank, the Yoxall and Barton Bank, the Rugby Bank, the West London Bank, the Bromley Bank, and the Leicester Bank.

## TIPPERARY BANK LITIGATION.

A petition from the unfortunate creditors of the Tipperary Bank has been forwarded for presentation to the House of Commons. The petitioners pray that the House will be pleased to reject so much of the Bill now before Parliament for winding-up joint-stock companies unable to meet their engagements as gives it a retrospective operation in Ireland, and, after setting out all the legal proceedings that have been taken since the stoppage of the bank in February, 1856, up to the dismissal of the creditors petition by the Irish Chancellor (an appeal against which order is now pending in the House of Lords), they say:—

"That the rights of your petitioners and the other creditors of the said bank, on whose behalf the said suit and appeal have been prosecuted at great expense to your petitioners, would, without your petitioners assent, and against their consent, be most materially prejudiced and affected by the retrospective operation of the said bill if passed into law; for if a general compromise or composition should be agreed to against the consent of



your petitioners, as a large minority of the creditors before the hearing of such appeal, your petitioners' rights as such appellants would be altogether destroyed. And, although no such compromise should be effected before the decision, and although upon the hearing of such appeal the said decretal order should be reversed or varied, and the appellants be declared entitled to have the trusts created by the said Bankers' Act carried into execution, and to relief against those persons who, although not contributories under the Winding-up Acts, are sought to be charged in that suit as shareholders who did not legally transfer their shares to the company so as to be discharged from the demands of the appellants, yet by such a compromise or composition, the rights of the appellants in such suit would be effectually taken away, and those persons who by such a decree should be held liable to the appellants would, although not within the scope of the Winding-up Acts, be altogether discharged and exonerated from such liability.

"That the persons to be affected by the decision of such appeal in favour of the appellants, two of whom as types of a class are nominal respondents in that suit, and who are not contributories, were at the stoppage of payment of said bank seised and possessed of property amounting in value to more than £200,000, and would, irrespective of those who are contributories, be able to pay to the creditors of the bank at least 10s. in the pound; and if such appeal be successful, the creditors of said bank will be paid their debts in full.

"That this bill contains no provisions giving to creditors any relief against persons who are not liable under the Winding-up Acts, nor-varying the principles of these acts as applicable to proceedings merely as between actual shareholders themselves, not affording any additional powers to make available for creditors all the property which, under the existing laws on the faith of which your petitioners gave credit to the said bank, is liable to the demands of the creditors.

"That the great mass of the creditors of the said bank have refrained from taking proceedings at law for recovery of their demands, relying with confidence on the success of your petitioners' said suit, and with one or two individual exceptions, the proceedings at law taken against said bank have been confined to certain creditors of one only out of nine branches of that bank.

"That, considering that this bank carried on business in nine different towns in various counties, the creditors are so scattered, and the debts of a portion are of a comparatively small amount, and due to farmers and persons of the lower station of society, it would under this bill be practically in the power of a minority in value of the creditors to elect a representative favourable to the shareholders, and to bind by a compromise an actual majority of the creditors of this bank.

"That a copy of a private bill to wind up the affairs of this bank was deposited in the Private Bill-office of Parliament shortly previous to the late session of Parliament, which bill was abandoned by the official manager in consequence of the dissent of the creditors of that bank unanimously expressed at public meetings of the creditors, and the provisions of that bill were substantially similar to those of the present bill.

"Your petitioners, therefore, humbly pray your honourable House will be pleased to reject so much of the said bill as gives it a retrospective operation in Ireland, and so far as it would alter, vary, affect, or prejudice the rights of your petitioners as such appellants, and the other creditors of said bank who are interested in said appeal, and that a proviso be therein inserted to the effect that pending the said appeal, and in case



upon the hearing of such appeal your petitioners shall be decreed entitled to relief in said suit, the provisions of this bill, or any of them, shall not, unless with the express consent thereto in writing of the appellants in said suit, and their respective executors or administrators, in any manner be held to apply to the company or co-partnership of bankers in Ireland, called the Tipperary Joint-Stock Bank, or any of the members, partners, or creditors thereof, anything in said bill to the contrary contained or expressed in anywise notwithstanding. And that such bill be not permitted to pass without the insertion therein of provisions to meet the various objections hereinbefore suggested."

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### THE GREAT GOLD QUESTION,

UNDER this head the *Revue Contemporaine*, in its last number, publishes an interesting paper, in which the author, M. Levasseur, proceeding from statistical data already brought under the notice of the public by various previous writers, arrives at the following preliminary results:—1. The general rise in the price of provisions and merchandise proceeds from four causes, two of which—viz., war and bad harvests—are transitory; while the other two, the development of manufactures and an increased supply of gold, are permanent in their effects. 2. The rise chiefly affects provisions, and such articles as are produced in limited quantities. 3. It is much less perceptible in manufactured articles. 4. It is greater in England than in France. 5. It cannot transgress a certain limit, at which it is stopped by competition, until prices descend to the same level among all civilised nations. 6. Before this limit is attained, the rise is for some time artificially exaggerated by the retail dealer. 7. The rise in France and England has been favourable both to the merchant and the agriculturist. 8. Salaries do not increase in proportion to the price of provisions, consequently the rise has been detrimental to those who live upon fixed salaries. And 9. Those, therefore, who live upon fixed incomes daily become poorer. As a set-off to these evils, the author remarks upon the benefits arising from an increased influx of gold, and shows that, although in theory an article of commerce might be expected to rise in price exactly in proportion to the increase of the circulating medium, such is not practically the case, because this proportional rise meets with its check in the stimulus given to production by the increasing demand consequent upon a greater abundance of means. The difference between the influx of the precious metal and the amount of rise which it has produced, therefore, constitutes a real increase in public wealth. Thus, in England, deducting the effects of the scarcity which are transitory, the largest rise does not exceed 25 per cent.; in France, where the effects of bad harvests have been most severely felt, and may be stated at 75 per cent., the rise attributable to the influx of gold is also limited to 25 per cent. Now, the influx of gold has been upwards of 50 per cent.; therefore, an addition has been made to the permanent wealth of the country of at least one-half of the new amount of gold introduced. Whether, and at what period, the civilised world will be saturated with the precious metal, M. Levasseur does not undertake to decide, but he thinks that that period is still far distant, and that the activity of our manufactures, the immense increase of our commercial intercourse, and the civilisation which, through the instrumentality of gold, has so rapidly sprung up in California and Australia, will enable us, for many years to come, to absorb the produce of the gold fields, without being made sensible of any material depreciation of the currency. We will not



follow M. Levasseur through the numerous statistical details into which he subsequently enters, in order to explain the great phenomenon of our day,—*vis.*, the disappearance of silver in proportion as gold flows in—a circumstance more severely felt in France than elsewhere; but we cannot omit to state that, in his opinion, it is to the arbitrary proportion of value legally adopted in the latter country (15½ of silver to 1 of gold),—a proportion permanently upheld between two metals, the relative value of which is subject to constant change—that “France owes the melancholy privilege of always being a rich mine of speculation, either for her gold or her silver.” The author now inquires which of the two metals ought to be chosen for a standard. The French law, indeed, establishes 5 grammes of silver at 9-10ths as the unit value, but it also sanctions gold as a legal tender; and whichever of the two metals be preferred, this preference is sure to give an unfair advantage to the holder either of gold or silver, as the case may be. One of the great arguments against gold is its present depreciation; but who can tell whether silver may not at no very distant period undergo a similar depreciation? The production of gold appears inexhaustible at present, but, on the other hand, has not M. de Humboldt predicted, from personal observation and positive scientific *data*, that a day would come when the silver mines of America would be worked along a line of 12,000 kilometres. Again, the production of silver depends on that of mercury; what if new mines of that metal, hitherto unsuspected, were shortly discovered? Since the discovery of mines of mercury in California, the price of that substance has fallen from 7*l.* 4*s.* 4*d.* to 2*l.* 9*s.* 3*d.*, equivalent to a fall of 6 per cent. in the value of silver. Hence there is no reason to conclude that silver will always retain the stability requisite for a standard of value. But even now, is France still in a condition to dictate the law? Has not the commercial interest already declared in favour of gold? Since 1848 the mints of France have coined 2,243 millions of francs of gold, and the quantity is daily increasing. Hence the question is no longer a matter of choice, and commerce alone will complete the revolution itself, unless the State at length resolve to legalise a state of things which is already beyond its control.

#### FAILURE OF MESSRS. SMITH, HILDER, SMITH AND CO.

THE suspension was announced on the 26th ultimo, of the respectable and old established bank of Messrs. Smith, Hilder, Smith and Scrivena, at Hastings. It was a bank of issue, with a circulation limited under the Act of 1844 to £38,038, but the amount of notes at present outstanding is stated not to be more than about £25,000. The total liabilities of the firm, including the circulation, are estimated at £150,000. They enjoyed excellent credit, and the disaster is attributed to involvements of the senior partner with the recent failure of his brother, Mr. Richard Smith, an extensive farmer and hop grower. Upon the nature of these liabilities becoming known a stoppage was immediately resolved upon, although there were still some funds in the hands of the London agents, and also some of the London discount houses. Under the circumstances it is therefore hoped that a good dividend may have been saved for the general creditors. The bank had branches at St. Leonard's, Battle, Hawkhurst, Robertsbridge, and Hailsham.



### MERCANTILE SUSPENSIONS.

SEVERAL suspensions have occurred during the past month, and among them two small banks, viz., that of Messrs. Gotch and Sons, of Kettering, and of Messrs. Smith, Hilder and Smith, of Hastings. These are more particularly alluded to elsewhere. The mercantile failures comprise:—

June.—Messrs. Evans, Hoare and Co., London. Australian Trade.

„ Mr. Wm. Mackintosh. Manchester, Manufacturer.

„ Messrs. J. Langton and Co. Liverpool. Ship Brokers.

The debts of Messrs. Evans, Hoare and Co., are understood to be large, averaging from £150,000 to £200,000. The debts of Mr. Mackintosh, of Manchester, are heavy, but an arrangement has been made by which a composition of 9s. 6d. in the pound will be secured. The debts and liabilities of Mr. J. Langton, of Liverpool, will, it is stated, reach about £75,000,

### BANK MOVEMENTS.

The Union Bank of London have notified that they are authorized by the Delhi Bank to interfere for all the engagements of that establishment drawn upon the London and Eastern Banking Company.

The directors of the Bank of Bengal have appointed Mr. H. J. Lee to officiate as secretary and treasurer, and Mr. C. A. Cooke to officiate as deputy secretary and treasurer, during the temporary absence of Mr. J. B. Plumb the secretary proceeding to England on medical certificate.

The audit of the accounts of the Agra and United Service Bank, taken on behalf of the new directors who have recently joined the bank on the establishment of head-quarters in London, has been completed under the supervision of a professional accountant, and it is stated to have been of the most complete description.

### MONTHLY CHRONOLOGY.

June 3.—Announcement of the failure of Mr. William Macintosh, of Manchester, with liabilities to the amount of about £53,000. At a subsequent meeting of creditors it was agreed to accept a composition of 9s. 6d. in the pound.

9.—Suspension announced of the bank of Messrs. Gotch and Sons, of Kettering, with liabilities estimated at £140,000.

10.—Messrs. Evans, Hoare, and Co., engaged in the Australian export trade, suspended payment, with liabilities amounting to between £150,000 and £200,000.

16.—Ratification at Paris of the treaty concluded between Prussia and Neuchatel.

18.—The Directors of the Bank of England give notice of their intention to reduce the rate of discount from 6½ to 6 per cent.

19.—Intimation received of the failure of Messrs. Langton and Co., ship brokers, of Liverpool. Their debts estimated at £75,000.

25.—The Bank of France reduced their rate of discount on commercial bills ½ per cent., viz., from 6 to 5½ per cent.

26.—Suspension announced of the old banking establishment of Messrs. Smith, Hilder, Smith and Scrivens, of Hastings, but having branch establishments at St. Leonard's, Battle, Hawkhurst, Robertsbridge, and Hailsham. The total liabilities are considered to be about £150,000. A good dividend is anticipated.



**BANKING OBITUARY.**

On the 7th of June, at Pau, Basses Pyrenees, Mr. John Mercer, of Maidstone, banker, aged 39.

***Monetary Intelligence.*****REVIEW OF THE MONEY MARKET FOR THE MONTH OF JUNE, 1857.**

**NOTWITHSTANDING** the public have shown greater confidence in the general prospects of monetary and commercial affairs, there has been much less activity than might have been supposed, from the fact of the Bank directors having reduced the rate of discount from  $6\frac{1}{2}$  to 6 per cent. In addition, the favourable advices of the crops and the announcement that the authorities of the Bank of France have also lowered their terms for the negotiation of commercial paper from 6 to  $5\frac{1}{2}$  per cent., should have exercised a favourable influence; but it appears that the public are not prepared to promote speculation, especially while the drain to the East is of so alarming a nature. Pending the arrival of intelligence with regard to the eastern exchanges, some doubt and uncertainty will prevail; but the impression that the harvest will be accelerated and benefited by the propitious alteration in the weather, is likely to counteract any unfavourable tendency which might ensue. The returns of the Banks of England and France have steadily improved, but the former is in the more satisfactory position; the influx of Australian and American gold having, after providing for the requirements of the continent, left a respectable surplus, which has been purchased on account of the national establishment. The rate of money at the Stock Exchange has been as high as 7 and  $7\frac{1}{2}$  per cent, on English securities, but it is now about 6 per cent., with a moderate demand. At Paris the rate is  $5\frac{1}{2}$  to 6 per cent., and at Hamburg the last quotation current was 7 per cent. The imports of the precious metals during the month have amounted to about £4,387,000, and the exports to £5,330,000.

The fluctuations in English securities has been about  $\frac{1}{2}$  per cent., and the transactions have not been very numerous. Although a little stimulus has been afforded to prices through the reduction in the rate of discount by the Bank of England and the Bank of France, the purchases have diminished within the last few days, and there is now much stagnation in business. A heavy "bull" account continues open, which prevents any elasticity in prices, and the result is that a few sales keep the market in a quiescent state. Exchequer bills have varied from 7s. premium to 5s. discount, but they now stand at about par, the rate of money being still high compared with the amount of interest allowed by the Government on these securities.

The operations in foreign stocks this month have not been extensive, and the only buyers have been the Greek speculators, who entertain favourable views with respect to the future. Turkish and Russian have exhibited the greatest advance, and no doubt can be entertained that if accommodation should further increase, the upward movement will continue. Spanish American securities exhibit little change, and Dutch continue steady.

The railway share market has exhibited some fluctuation, but prices have on the average improved; the rise is about 30s. to £2 per share. The principal improvement has been in guaranteed securities, and the heavier



descriptions, after advancing, have experienced a partial relapse. French securities do not rally, and Indian descriptions are heavy.

Joint-stock bank shares are in a more favourable situation, and the demand for the leading kinds has increased. The approaching declaration of dividends will, it is thought, be of a more encouraging character. Australian shares have partially recovered the late decline, and there is now a greater disposition to purchase.

In the produce markets, during the month, increased activity has prevailed, and the less onerous terms for money will assist in creating a better feeling in this department.

The following are the fluctuations in the English and Foreign Stocks and Railway Shares during the month just concluded :—

	Price on May 29.	Highest.	Lowest.	Price on June 27.
<b>ENGLISH FUNDS.</b>				
Consols ... ..	92½-92¾ x d	93 x d.	92½ x d.	93-93½
Exchequer bills ... ..	7s. pm. to 4s. pm.)	7s. pm.	8s. dis.	8s.-4s d.
<b>FOREIGN STOCKS.</b>				
Brazilian ... ..	100½	100½	100	100½
Chilian ... ..	102½	102½	101½	102½
Dutch, 2½ per cent. ... ..	65½	65½	65	65½
Mexican ... ..	—	23½	22½	23
Peruvian, 4½ per cent. ... ..	76½	78½	75½	78
Russian ... ..	107½	111	107½	110
Spanish ... ..	42½	42½	41½	42½
Turkish, 6 per cent. ... ..	94½	96½	94½	96½
Ditto, 4 per cent. ... ..	101½	102½	101½	102½
<b>RAILWAY SHARES.</b>				
Brighton ... ..	111½	113	111	112½
Caledonian ... ..	72½	75½	71½	75
Eastern Counties ... ..	11½	11½	11½	11½
Great Northern ... ..	96½	100	96	99½
Great Western ... ..	66½	66½	62½	65
Lancashire and Yorkshire... ..	100½	101½	100	100½
London and North Western ... ..	104½	105	103½	104
Midland ... ..	83½	84½	83	84
South Eastern ... ..	74½	75½	73½	75½
South Western ... ..	98½	101½	98	102
York, Newcastle, and Berwick ... ..	87	93½	86½	93
York and North Midland ... ..	66½	71½	66	71½
East Indian... ..	108½	109½	108	109
Northern of France ... ..	38½	39½	38	38½

THE GRAIN TRADE.

In the early part of the month there was a general advance in the price of grain, but more particularly in wheat, although there was nothing either in the state of the weather or the supplies from abroad to warrant a rise. Within the last week or two, however, the advance has been checked, and in some instances holders have been compelled to accept lower terms. The accounts from all parts of the country, with regard to the crops, are of a most satisfactory character, and as far as appearances at present go a very



abundant yield may be looked for. The hay harvest is in full operation, and the crops magnificent. In some quarters fears are beginning to be expressed respecting the potatoe disease, in consequence of the want of rain; but at present we have not heard that it has shown itself.

The *Gazette* returns for England and Wales have been:—

Week ending 1857.	Wheat. Qrs. sold.	Weekly Average.	Six Weeks' Average.	Corresponding Six Weeks, Last Year	
				Duty.	
May 23 .....	112,312	57 9	55 3	1 0	68 2
" 30 .....	119,039	57 8	56 0	1 0	68 0
June 6 .....	128,553	58 9	56 11	1 0	68 0
" 13 .....	115,102	60 0	57 11	1 0	68 3
" 20 .....	102,780	60 1	58 7	1 0	68 8

The importations since the harvest of 1856 have been:—

	Wheat. Qrs.	Other Grain. Qrs.	Total. Qrs.
Forty-three weeks ended 13th May ...	3,470,094	2,924,450	6,394,544
Five weeks ended 17th June ...	271,928	486,952	758,878
	3,742,020	3,411,402	7,153,422

And the *weekly averages* have been:—

Forty-three weeks ended 13th May ...	80,000	68,000	148,000
Five weeks ended 17th June ...	54,000	97,000	151,000
	Less 26,000	More 29,000	More 3,000

### STATE OF TRADE.

The state of trade in the manufacturing districts has rather improved, and there seems to be an expectation that a revival of activity will shortly take place. The accounts from America and Australia are more encouraging, but a full export demand will not at present be experienced. Business is undoubtedly sound, and although one or two failures have taken place, they have not involved important results.

### NOTICES TO CORRESPONDENTS.

Editorial communications should, in future, be addressed to the Editor of the *Bankers' Magazine*, 8, Birchin Lane, Cornhill, although orders for the publication, remittances, &c., are still to be forwarded to Messrs. Groombridge and Sons, Paternoster Row. Correspondents will please remember that letters, to ensure punctual attention, must be forwarded by the 20th of the month.

Several communications and reviews stand over. The report of the proceedings of the London Chartered Bank is also postponed until next month.

CASHIER.—We are satisfied everything has been done to promote the prosperity of the enterprise.

A SHAREHOLDER.—The lists are regularly published in the *Gazette*, and may be consulted with advantage.

JUDICATOR.—Nothing has transpired to induce us to alter our opinion.

Mr. Parker's letter would have been answered had not a great pressure on our time prevented it. We are always glad to give any advice we may be able to give, but we have no practice of the kind referred to.



THE ENGLISH FUNDS.—Daily Prices from 27th May, to 26th June, 1857, inclusive.

	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Bank Stock, div 4½ p.c. year	213½	213½	214	214	213½	213½	213½	213½	213½	213½	213½	213½	214	214	214	214	214	214	214	214	214	214	214	214	214	214	214	214	214	214
3 per Ct. Red. Anns.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
3 per Ct. Cons. Anns.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
New 3½ per cent. Anns.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
New 3½ per cent.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
New 2½ per cent.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
5 per cent.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Long Anns. Jan. 5, 1860	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto 30 years, Oct. 10, 1859	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto 30 years, Jan. 5, 1859	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto 30 years, Apr. 5, 1858	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
India Stock (div. 104 percent.	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222	222
Do. Bonds under £500	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½	74½
3 p. Ct. Cons. for ac. 4th June	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ditto for account 9th July	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Ex. Bills £1000, 7½d. per diem	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½
Ditto, £500 do.	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½
Ditto, Small do.	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½	67½
Ditto Advertised	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½	34½
Ditto Bonds A 1838 3½ p.c.	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99
Ditto under £1000	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99
Ditto under £1000	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99	99

JOINT-STOCK BANKS.

	London	Latest Prices.
Australasia	£40 0 0	£40 0 0
British North American	50 0 0	50 0 0
Bank of London	100 0 0	100 0 0
Commercial of London	100 0 0	100 0 0
Colonial	100 0 0	100 0 0
City Bank	100 0 0	100 0 0
London and Westminster	100 0 0	100 0 0
London Joint Stock	100 0 0	100 0 0
Oriental Bank	100 0 0	100 0 0
Provincial of Ireland	100 0 0	100 0 0
National Bank	100 0 0	100 0 0
National Provincial of England	100 0 0	100 0 0
South Australian	100 0 0	100 0 0
Union of Australia	100 0 0	100 0 0
Union of London	100 0 0	100 0 0
London and County	100 0 0	100 0 0
London Chartered of Australia	100 0 0	100 0 0
Bank of India & Austr. Chartrd.	100 0 0	100 0 0
New South Wales	100 0 0	100 0 0
Bank of Egypt	100 0 0	100 0 0
Ottoman Bank	100 0 0	100 0 0

FOREIGN STOCKS

	(27th June.)
Brazilian Bonds, 5 per Cent.	100½
Chilian Bonds, 6 per Cent.	104½
Danish 5 per Cent.	104
Mexican 5 per Cent.	22½
Portuguese 4½ per Cent.	77
Portuguese Bonds, 3 per Cent.	46
Russian Bonds, 1822, 5 per Cent. in £ Ster.	108
Ditto, 4½ per Cent.	99½
Spanish Bonds 3 per Cent.	43
Ditto, 3 per Cent. Deferred	25½
Turkish 6 per Cent.	95½
(Dividends on the above payable in London.)	
Dutch 2½ per Cent.	64½
Ditto 4 per Cent. Loan	98
French 4½ per Cent., at Paris, June 26, 97.	66
Ditto 3 per Cent., ditto	66½ 10c.

RAILWAY SHARES.

	COMPANY.	Paid up	Price June 27.
Caledonian	..	100	74½
Eastern Counties	..	100	111
Great Northern	..	100	91
Great Western	..	100	66½
London and Blackwall	..	13½	61
London and Brighton	..	100	111½
North-West	..	100	104½
Midland	..	100	83½
South-Eastern	..	100	75½
York, Newcastle, & Berwick	..	100	86½
York & North Midland	..	100	66½

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows:—

## ISSUE DEPARTMENT.

	1857. May 16th.	1857. May 23rd.	1857. May 30th.	1857. June 6th.
Notes issued.....	£ 23,594,790	£ 23,533,315	£ 23,501,395	£ 24,063,500
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	3,450,900	3,450,900	3,450,900	3,450,900
Gold coin and bullion .....	8,119,790	9,058,315	9,325,395	9,598,500
Silver bullion .....	—	—	—	—
	23,594,790	23,533,315	23,501,395	24,063,500

## BANKING DEPARTMENT.

	1857. May 16th.	1857. May 23rd.	1857. May 30th.	1857. June 6th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,340,301	3,351,907	3,302,527	3,321,818
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts) ....	5,651,924	5,555,566	6,264,419	7,026,069
Other deposits .....	9,589,235	9,098,020	9,325,549	9,796,388
Seven day and other bills .....	724,030	694,333	712,305	664,467
	33,658,391	33,343,386	34,058,633	35,372,540
Government securities (including Dead Weight Annuities) ....	10,329,641	10,326,121	10,326,121	10,326,121
Other securities .....	10,448,666	17,668,848	18,302,575	19,060,740
Notes .....	4,349,665	4,501,635	4,732,979	5,277,600
Gold and silver coin .....	733,819	746,513	700,607	702,069
	33,658,391	33,343,386	34,058,633	35,372,540

## The Exchanges.

	May 8th.	May 15th.	May 22nd.	May 29th.
Amsterdam, short ..	11 17½	11 18	11 18½	11 18½
Ditto 3 months..	12 0	12 0½	12 0½	12 0½
Rotterdam, ditto ..	12 0½	12 0½	12 0½	12 0½
Antwerp, ditto ..	25 45	25 65	25 65	25 65
Brussels, ditto .....	25 55	25 65	25 60	25 55
Hamburg, ditto....	12 9	12 9½	12 9½	12 8½
Paris, short .....	25 30	25 39½	25 30	25 30
Paris, 3 months ..	25 75	25 75	25 75	25 75
Marseilles, ditto .....	25 75	25 77½	25 75	25 77½
Frankfort, ditto ....	120	120	120	119½
Vienna, ditto.....	10 35	10 35	10 35	10 35
Trieste, ditto.....	10 36	10 36	10 36	10 37
Petersburgh, ditto ..	37½	37½	38½	38½
Madrid, ditto .....	40	40	40½	40½
Cadix, ditto .....	49½	49½	49½	49½
Leghorn, ditto .....	25 57½	29 60	29 60	29 70
Genoa, ditto .....	25 80	25 82½	25 85	25 82½
Naples, ditto.....	42½	43	42½	42½
Palermo, ditto .....	130½	130½	130½	130½
Messina, ditto .....	130½	130½	130½	130½
Lisbon, ditto .....	52½	52½	52½	52½
Oporto, ditto .....	52½	52½	52½	52½
Rio Janeiro 60 days' date	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£3 17 9	£3 17 9	£3 17 9	£3 17 9
(Standard) .....	0 0 0	0 5 0½	0 5 0½	0 5 0½
Mexican Dollars .....	0 0 0	0 0 0	0 5 10	0 5 10
Silver in Bars (Stand.)..	0 0 0	0 0 0	0 5 10	0 5 10



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTES.

## PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		May 18.	May 23.	May 30.	June 6.
	£	£	£	£	£
1 Andover Bank .....	17,751	11,732	11,510	11,858	11,651
2 Ashford Bank .....	11,849	11,787	11,745	11,344	11,353
3 Aylesbury Old Bank .....	48,461	29,805	29,610	28,556	28,675
4 Baldock and Biggleswade Bank ...	37,223	30,616	31,541	30,901	30,906
5 Barnstaple Bank .....	17,182	10,773	9,686	8,767	8,570
6 Basingstoke and Odiham Bank ...	24,730	22,310	22,739	22,704	22,595
7 Bedford Bank .....	34,218	33,885	33,204	33,229	33,105
8 Bewdley Bank .....	18,597	10,708	11,021	10,066	10,098
9 Bicester and Oxfordshire Bank ...	27,090	15,449	14,825	14,600	15,188
10 Birmingham Bank—Attwoods & Co.	23,695	23,057	23,134	24,331	23,591
11 Birmingham and Warwickshire Bk.	18,132	9,596	9,772	7,997	7,935
12 Blandford Bank .....	9,723	7,582	7,062	6,555	6,576
13 Boston Bank—Garfit and Co. ....	75,069	84,937	73,900	66,785	68,290
14 Boston Bank—Gee and Co. ....	15,161	15,011	14,846	14,948	14,552
15 Bridgewater Bank .....	10,028	7,728	8,128	8,290	8,254
16 Bristol Bank .....	48,277	36,245	35,402	32,885	31,681
17 Broseley and Bridgenorth Bank ...	26,717	17,832	17,625	17,709	17,656
18 Buckingham Bank .....	29,557	21,215	21,438	20,607	22,279
19 Bury and Suffolk Bank .....	82,362	68,152	65,872	65,280	64,956
20 Banbury Bank .....	43,457	32,436	33,527	34,542	33,979
21 Banbury Old Bank .....	55,153	29,247	28,610	29,851	29,043
22 Bedfordshire Leighton Buzzard Bk.	36,829	34,755	35,580	36,672	36,651
23 Birmingham Bk.—Lloyds & Co. ...	38,816	28,975	30,006	30,315	29,859
24 Bradford Old Bank .....	12,676	12,734	12,566	12,477	12,305
25 Brecon Old Bank .....	68,271	58,111	59,168	58,790	57,692
26 Brighton Union Bank .....	33,794	17,366	17,236	16,703	17,287
27 Burlington and Driffield Bank .....	12,745	12,482	12,410	12,774	12,433
28 Bury St. Edmund's Bank .....	3,201	2,722	2,700	2,731	3,029
29 Cambridge Bk.—Mortlock & Co.	25,744	13,704	13,361	13,313	13,268
30 Cambridge and Cambridgeshire Bk.	49,916	48,312	49,597	49,310	49,446
31 Canterbury Bank .....	33,671	30,209	30,002	29,205	29,596
32 Carmarthen Bank .....	23,597	21,056	20,840	19,807	20,975
33 Chertsey Bank .....	3,436	3,754	3,772	2,991	2,837
34 Colchester Bank .....	25,082	18,440	17,900	17,969	17,626
35 Colchester and Essex Bank .....	48,704	33,982	34,655	34,465	34,810
36 Cornish Bank—Tweedy & Co. ...	49,869	45,909	44,690	43,037	44,399
37 Coventry Bank .....	12,045	6,224	6,495	6,615	7,007
38 City Bank, Exeter .....	21,527	21,099	21,327	21,102	20,817
39 Craven Bank—Alcocks & Co. ...	77,154	76,063	75,783	74,996	75,176
40 Chepstow Old Bank .....	9,387	9,454	8,811	9,085	8,994
41 Derby Bank—Messrs. Evans .....	13,332	12,558	12,573	12,978	12,854
42 Derby Bank—Smith and Co. ....	41,304	44,602	42,220	39,726	36,305
43 Derby Old Bank .....	27,237	27,189	27,211	27,144	26,670
44 Devizes and Wiltshire Bank .....	20,674	7,758	7,710	7,610	8,105
45 Diss Bank .....	10,657	10,095	10,080	10,112	10,220
46 Doncaster Bank and Retford Bank	77,400	71,792	71,794	68,966	68,219
47 Darlington Bank .....	86,218	91,236	86,812	81,428	82,032
48 Devonport Bank .....	10,664	9,488	10,088	9,790	9,177
49 Dorchester Old Bank .....	48,807	48,054	48,185	47,426	56,694
50 East Cornwall Bk.—Robins & Co.	112,280	87,644	87,023	89,278	94,387
51 East Riding Bank—Bower & Co.	53,392	53,841	54,010	52,924	50,421
52 Essex Bk. & Bishops Stortford Bk.	69,637	43,674	41,818	42,030	42,730
53 Exeter Bank .....	37,894	25,705	25,295	24,780	24,862
54 Faringdon Bk. & Bk. of Wantage	8,977	7,815	7,467	7,246	7,961
55 Farnham Bank .....	12,102	10,620	10,831	10,786	10,571
56 Faversham Bank .....	6,681	6,683	6,109	5,757	5,540
57 Godalming Bank .....	6,322	5,535	5,098	5,045	4,751



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		May 16.	May 23.	May 30.	June 6.
	£	£	£	£	£
58 Guildford Bank .....	14,524	14,889	14,702	13,522	13,664
59 Grantham Bank—Hardy and Co.	30,372	32,024	30,603	27,232	25,353
60 Hastings Old Bank .....	38,038	28,230	28,105	27,275	26,705
61 Hereford City and County Bank.	22,364	17,280	17,707	17,150	17,049
62 Hull & Kingston-upon-Hull Bank	19,979	19,387	20,572	20,709	19,158
63 Huntingdon Town & County Bank	56,591	51,505	51,550	51,590	53,754
64 Harwich Bank .....	5,778	4,885	5,005	4,806	5,198
65 Hertfordshire, Hitchin Bank .....	38,764	33,518	32,726	33,312	33,190
66 Hereford, Ross, & Archenfield Bk.	27,625	22,532	23,162	23,787	24,740
67 Ipswich Bank .....	21,901	20,532	20,153	20,832	20,770
68 Ipswich & Needham Market Bank	80,699	62,031	61,629	62,603	61,181
69 Kentish Bank—Mercer & Co. ...	19,895	12,257	11,935	11,914	11,754
70 Kingston and Radnorshire Bank...	26,050	25,885	25,925	25,672	25,920
71 Knaresborough Old Bank .....	21,825	21,332	21,265	21,465	21,267
72 Kendal Bank .....	44,663	43,623	44,240	44,906	45,034
73 Kettering Bank .....	9,192	8,987	8,598	8,883	8,946
74 Longton Staffordshire Bank .....	5,624	5,215	5,330	5,288	5,311
75 Leeds Bank .....	53,357	54,884	53,178	51,658	52,504
76 Leeds & Union Bank .....	37,459	37,219	37,036	37,393	37,406
77 Leicester Bank .....	32,322	33,255	29,415	29,805	29,904
78 Lewes Old Bank .....	44,836	25,809	24,370	24,015	23,638
79 Lincoln Bank .....	100,342	104,188	100,140	93,466	87,819
80 Llandovery Bank & Llandilo Bank	32,945	26,148	26,290	25,533	28,077
81 Loughborough Bank .....	7,359	6,920	7,396	7,355	7,047
82 Lymington Bank .....	5,038	3,874	3,872	3,975	4,105
83 Lynn Regis and Lincolnshire Bank	42,817	38,344	38,074	39,165	37,550
84 Lynn Regis and Norfolk Bank ...	13,917	13,665	13,857	13,789	13,304
85 Macclesfield Bank .....	15,760	14,599	15,565	15,483	15,243
86 Manningtree Bank .....	7,692	1,686	1,430	1,118	1,070
87 Merionethshire Bank .....	10,906	9,312	8,873	8,994	9,755
88 Miners' Bank .....	18,688	17,529	16,797	16,265	16,655
89 Monmouthshire Agricultural and Commercial Bank .....	29,335	27,670	25,804	25,019	28,914
90 Monmouth Old Bank .....	16,385	16,975	16,870	15,853	14,630
91 Newark Bank .....	28,788	26,095	25,464	24,984	25,270
92 Newark and Sleaford Bank .....	51,615	53,681	49,236	49,455	50,412
93 Newbury Bank .....	36,787	19,000	19,475	18,769	18,618
94 Newmarket Bank .....	23,098	21,396	20,379	19,261	19,218
95 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	46,390	46,450	45,137	45,766
96 Norwich and Norfolk Bank .....	105,519	98,360	98,883	96,139	102,382
97 Nottingham, Nottinghamshire ...	10,866	10,367	10,076	9,973	9,923
98 Nunenton Bank .....	5,898	3,312	3,658	3,492	3,497
99 Naval Bank, Plymouth .....	27,321	22,602	22,542	21,317	21,745
100 New Sarum Bk.—Everett & Smith	15,659	9,313	8,893	9,100	8,654
101 Nottingham Bank .....	31,047	30,901	30,918	30,758	29,460
102 Oswestry Bank .....	18,471	11,215	10,444	11,113	12,652
103 Oxford Old Bank .....	34,391	33,536	32,750	32,233	31,958
104 Old Bank, Tonbridge .....	13,183	7,995	8,312	8,441	8,452
105 Oxfordshire Witney Bank .....	11,852	11,495	10,790	10,712	10,320
106 Pease's Old Bank, Hull .....	48,807	47,314	47,649	47,752	47,665
107 Penzance Bank .....	11,405	10,200	9,604	9,339	9,678
108 Peterborough Bank—Yorke & Co.	12,545	9,994	10,413	9,839	9,782
109 Pembrokehire Bank .....	12,910	11,532	11,655	11,608	12,465
110 Reading Bank—Simmonds & Co.	37,519	30,117	29,057	30,065	30,103
111 Reading Bk.—Stephens & Blandy	43,271	31,640	31,585	30,307	29,355
112 Richmond Bank, Richmond .....	6,889	6,921	6,501	6,648	6,679
113 Rochdale Bank .....	5,590	4,161	4,128	4,075	3,955
114 Rochester, Chatham, & Strood Bk.	10,480	6,495	6,759	7,103	7,316
115 Royston Bank .....	16,393	12,951	13,247	12,785	12,509
116 Rugby Bank .....	17,250	10,037	9,465	8,950	8,498



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		May 16.	May 23.	May 30.	June 6.
	£	£	£	£	£
117 Rye Bank .....	29,864	11,600	11,452	11,238	10,881
118 Ross Old Bank, Herefordshire ...	4,420	4,361	4,182	4,100	4,207
119 Saffron Walden & North Essex Bk.	47,646	27,410	26,701	26,098	25,997
120 Salop Bank .....	22,338	16,556	16,025	15,406	15,262
121 Scarborough Old Bank .....	24,813	24,136	24,036	22,774	22,489
122 Shrewsbury Old Bank .....	43,191	41,904	41,326	39,544	38,690
123 Sittingbourne and Milton Bank...	4,789	2,780	2,790	2,734	2,745
124 Southampton Town & County Bk.	18,589	10,885	10,539	10,694	10,613
125 Southwell Bank .....	14,744	13,786	13,409	13,039	13,074
126 Southampton and Hampshire Bk.	6,770	3,405	3,251	3,076	3,114
127 Stone Bank .....	9,154	325	325	325	325
128 Stafford Old Bank .....	14,166	13,671	13,670	12,892	12,481
129 Stamford and Rutland Bank .....	31,858	32,654	31,957	31,100	29,690
130 Shrewsbury and Welsh Pool Bank	25,336	25,243	24,036	23,806	24,479
131 Taunton Bank .....	29,799	24,407	23,951	22,861	24,706
132 Tavistock Bank .....	13,421	10,940	10,427	9,507	9,703
133 Thornbury Bank .....	10,026	8,738	8,605	8,319	8,190
134 Tiverton and Devonshire Bank ...	13,470	12,465	11,745	11,473	11,600
135 Thrapstone and Kettering Bank...	11,559	10,930	11,464	11,498	11,387
136 Tring Bank and Chesham Bank...	13,531	13,982	13,570	12,748	13,703
137 Towcester Old Bank .....	10,801	8,359	7,593	7,521	6,935
138 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	10,927	10,088	9,558	9,410
139 Union Bank, Cornwall .....	17,003	16,054	14,971	15,803	16,283
140 Uxbridge Old Bank .....	25,136	11,381	10,790	11,015	11,252
141 Wallingford Bank .....	17,064	8,988	8,630	8,139	8,251
142 Warwick and Warwickshire Bank	30,504	24,087	24,433	23,932	23,468
143 Wellington Bank, Somerset .....	6,528	2,528	2,355	2,522	2,443
144 West Riding Bank .....	46,158	45,476	46,824	46,390	44,975
145 Whithy Old Bank .....	14,258	14,437	14,888	13,883	13,634
146 Winchester, Alresford & Alton Bk.	25,892	16,525	16,537	16,372	15,700
147 Weymouth Old Bank .....	16,461	15,290	15,100	14,946	14,948
148 Wirksworth and Derbyshire Bk.	37,602	37,011	36,060	36,228	36,647
149 Wisbeach and Lincolnshire Bank	59,713	55,275	56,114	55,690	55,020
150 Wiveliscombe Bank .....	7,602	7,400	6,882	6,605	6,382
151 Wolverhampton Bk.—Goodricke	14,180	12,918	62,377	11,257	10,745
152 Worcester Bank .....	15,463	5,276	4,805	4,520	4,465
153 Worcester Old Bank .....	87,448	63,064	61,011	56,606	59,515
154 Wolverham. Bk.—R. & W. Fryer	11,867	11,617	11,388	11,062	10,435
155 Yarmouth and Suffolk Bank .....	53,060	42,707	42,714	41,872	41,376
156 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,890	12,580	12,428	12,229
157 York Bank .....	46,387	45,346	44,848	43,839	42,274

## JOINT STOCK BANKS.

1 Bank of Westmoreland .....	12,225	12,335	12,351	11,961	11,134
2 Barnsley Banking Company .....	9,563	9,630	9,222	9,432	9,409
3 Bradford Banking Company .....	49,292	48,948	50,819	48,094	47,424
4 Bilston District Banking Company	9,418	9,203	9,459	8,492	9,248
5 Bank of Whitehaven .....	32,681	31,115	31,919	31,535	31,302
6 Bradford Commercial Banking Co.	20,084	20,372	20,145	19,711	19,344
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	59,465	58,473	57,983	56,107



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		May 18.	May 23.	May 30.	June 6.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	10,150	10,477	10,067	9,972
9 Cumberland Union Banking Co.	35,395	33,885	33,821	34,519	36,074
10 Coventry and Warwickshire Bk. Co.	28,734	27,107	26,513	26,152	26,621
11 Coventry Union Banking Company	16,251	12,710	12,560	12,492	12,180
12 County of Gloucester Banking Co.	144,352	113,729	112,930	111,205	110,786
13 Carlisle & Cumberland Banking Co.	25,610	25,591	26,266	25,865	24,220
14 Carlisle City and District Bank ...	19,972	18,957	19,445	20,447	20,087
15 Dudley & West Bromwich Bk. Co.	37,696	39,328	37,341	37,450	35,110
16 Derby and Derbyshire Banking Co.	20,093	19,881	19,957	19,756	18,760
17 Darlington Dist. Joint Stock Bk. Co.	26,134	26,093	27,081	25,460	24,452
18 East of England Bank .....	25,025	25,798	24,518	24,335	24,682
19 Gloucestershire Banking Company	155,920	153,272	150,823	148,706	148,645
20 Halifax Joint Stock Bank.....	18,534	18,561	18,604	18,865	18,005
21 Huddersfield Banking Company...	37,354	38,641	38,659	35,220	33,078
22 Hull Banking Company .....	29,333	24,934	25,495	24,858	24,364
23 Halifax Commercial Banking Co.	13,733	13,391	13,420	13,509	14,209
24 Halifax & Huddersfield Union Bk.	44,137	44,225	44,127	42,442	41,976
25 Helston Banking Company .....	1,503	1,492	1,541	1,485	1,367
26 Herefordshire Banking Company..	25,047	19,916	21,158	20,120	22,199
27 Knarborough and Claro Bk. Co.	28,059	28,263	28,940	27,254	26,168
28 Kingsbridge Joint Stock Bank .....	3,952	3,149	3,160	2,817	2,706
29 Lancaster Banking Company .....	64,311	66,598	64,370	61,649	60,580
30 Leeds Banking Company .....	23,076	23,039	23,483	22,326	23,415
31 Leicestershire Banking Company...	86,060	74,046	73,992	72,055	70,649
32 Lincoln and Lindsey Banking Co.	51,620	52,573	49,916	47,840	47,224
33 Leamington Priors and Warwick- shire Bank .....	13,875	11,772	10,959	10,736	10,833
34 Ludlow and Tenbury Bank .....	10,215	10,139	9,794	9,786	9,760
35 Moore & Robinson's Notts. Bank...	35,813	35,410	32,774	35,949	35,177
36 Nottingham and Notts. Banking Co.	29,477	29,416	28,772	26,819	28,077
37 National Provincial Bk. of England	442,371	423,420	421,306	418,582	422,588
38 North Wilts Banking Company ...	63,939	43,465	42,802	40,601	39,434
39 Northamptonshire Union Bank .....	84,356	83,215	80,971	80,767	78,602
40 Northamptonshire Banking Co. ...	26,401	20,923	20,318	20,815	19,508
41 North and South Wales Bank .....	63,951	61,476	60,497	58,058	57,410
42 Pare's Leicestershire Banking Co.	59,300	57,361	55,705	53,372	51,493
43 Saddleworth Banking Company ...	8,122	2,066	2,047	1,890	1,903
44 Sheffield Banking Company .....	35,843	34,723	35,030	35,369	36,215
45 Stamford, Spalding & Boston Bk. Co.	55,721	54,308	53,655	52,724	51,370
46 Stuckey's Banking Company .....	356,976	341,945	338,030	332,877	327,643
47 Shropshire Banking Company .....	47,951	45,126	45,800	44,690	46,331
48 Stourbridge and Kidderminster Bk.	56,830	57,163	56,851	55,265	56,191
49 Sheffield and Hallamshire Bank .....	23,524	22,998	23,205	22,065	22,065
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	53,146	52,576	51,907	50,993
51 Swaledale and Wensleydale Bank..	54,372	53,165	52,608	51,887	51,701
52 Wolverhampton & Staffordsh. Bk.	35,378	33,886	35,335	34,752	35,055
53 Wakefield and Barnsley Union Bk.	14,604	14,434	14,079	13,955	13,985
54 Whitehaven Joint Stock Bank ...	31,916	29,347	30,825	29,689	30,170
55 Warwick and Leamington Bk. Co.	37,124	32,059	29,842	29,042	30,512
56 West of England and South Wales District Bank .....	83,535	76,462	74,753	73,037	72,933
57 Wilts & Dorset Banking Company	76,162	67,783	70,679	69,587	69,651
58 West Riding Union Banking Co....	34,029	34,232	33,789	31,381	30,383
59 Whitechurch and Ellesmere Bk. Co.	7,475	5,359	5,381	5,026	5,275
60 Worcester City and County Bk. Co.	6,848	5,607	5,640	5,949	6,640
61 York Union Banking Company ...	71,240	69,180	70,258	68,735	68,060
62 York City and County Banking Co.	94,695	90,050	89,545	88,860	88,872
63 Yorkshire Banking Company .....	122,532	122,805	123,040	119,023	116,512



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	May 16.	May 23.	May 30.	June 6.
157 Private Banks.....	£4,504,737	£3,810,567	£3,752,010	£3,674,865	£4,679,358
63 Joint-Stock Banks..	3,302,357	3,128,838	3,107,860	3,047,446	3,026,839
<b>220 Totals .....</b>	<b>7,807,094</b>	<b>6,939,505</b>	<b>6,859,870</b>	<b>6,722,311</b>	<b>7,706,199</b>

*Average Weekly Circulation of these Banks for the month ending June 6th:—*

Private Banks .....	£3,979,325
Joint-Stock Banks .....	3,077,746

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above £7,056,071*

*On a comparison of the above with the Returns for the month ending 9th May last, it shows:—*

<i>A decrease in the notes of Private Banks, of .....</i>	<i>£147,823</i>
<i>An increase in the notes of Joint-Stock Banks, of .....</i>	<i>94,969</i>

*Total decrease on the month..... £53,854*

*And, as compared with the month ending June 7th, 1856, it shows—*

<i>An increase in the notes of Private Banks, of .....</i>	<i>£163,640</i>
<i>An increase in the notes of Joint-Stock Banks, of .....</i>	<i>11,390</i>

*Total increase, as compared with the same period of last year .....* £174,969

*The following is the comparative state of the circulation, as regards the fixed issues—*

<i>The Private Banks are below their fixed issues.....</i>	<i>£525,512</i>
<i>The Joint-Stock Banks are below their fixed issues.....</i>	<i>224,611</i>

*Total below the fixed issues .....* £750,123

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 6th day of June, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	2,115,075	1,353,975	3,469,050	887,772
Provincial Bank of Ireland .....	927,667	423,503	575,512	999,015	350,524
Belfast Bank .....	281,611	85,920	358,099	444,019	255,364
Northern Bank .....	243,440	46,895	235,518	282,413	142,498
Ulster Bank .....	311,079	67,062	365,454	432,516	184,844
National Bank of Ireland...	852,269	667,493	619,325	1,286,818	629,476
<b>TOTALS (Irish Banks) ...</b>	<b>6,354,494</b>	<b>3,405,948</b>	<b>3,507,883</b>	<b>6,913,831</b>	<b>2,450,478</b>

### SCOTCH BANKS.

Bank of Scotland .....	300,485	145,674	280,192	425,766	173,805
Royal Bank of Scotland ...	183,000	105,680	170,313	275,993	121,576
British Linen Company .....	438,024	201,992	322,416	524,408	172,766
Commercial Bk. of Scotland .....	374,880	179,725	324,462	504,187	178,902
National Bank of Scotland..	297,024	114,615	227,030	341,645	88,944
Union Bank of Scotland and Banking Com. in Aberdeen .....	415,690	194,503	361,108	555,611	189,452
Edinburgh & Glasgow Bk...	136,657	65,621	100,950	166,571	50,367
Aberdeen Town and Co. Bk. ....	70,133	56,766	80,560	137,326	75,491
North of Scotland Bk. Co....	154,319	129,565	112,554	242,119	111,114
Dundee Banking Company .....	33,451	18,045	28,335	46,380	14,759
Eastern Bank of Scotland...	33,636	17,821	27,969	45,790	14,344
Western Bank of Scotland..	337,938	109,442	344,126	453,568	174,435
Clydesdale Banking Co. ...	104,028	50,362	107,428	157,790	63,301
City of Glasgow Bank .....	72,921	132,566	182,224	314,791	271,859
Caledonian Banking Co. ...	53,434	27,735	51,140	78,875	31,244
Perth Banking Company ...	38,656	19,416	34,559	53,975	29,237
Central Bank of Scotland...	42,933	23,286	40,108	63,394	28,600
<b>TOTALS (Scotch Banks)...</b>	<b>3,087,209</b>	<b>1,592,714</b>	<b>2,795,474</b>	<b>4,388,189</b>	<b>1,790,196</b>



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO JUNE 6, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 6th June, when added together, give the following as the average weekly circulation of these banks during the past month, viz. —

Average Circulation of the Irish Banks .. £6,913,831  
Average Circulation of the Scotch Banks 4,388,189

Total Average Circulation of these Banks for the past month ..... £11,302,020

On comparing these amounts with the Returns for the month ending 9th May last, they show—

Decrease in the Circulation of Irish Banks £241,353  
Increase in the Circulation of Scotch Banks 455,355

Total increase on the month ..... £214,002

And, as compared with the month ending June 7th, 1856, they show—

Increase in the Circulation of Irish Banks £549,452  
Decrease in the Circulation of Scotch Banks 84,570

Total increase on the year ..... £464,882

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows:—

6 Banks in Ireland, allowed to issue... £6,354,494  
18 Banks in Scotland, allowed to issue .. 3,067,309

24 Banks in all allowed to issue..... £9,421,703

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue .. £559,337  
Scotch Banks are above their fixed issue 1,306,969

Total above the fixed issue ..... £1,866,317

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks £2,450,478  
Gold and Silver held by the Scotch Banks 1,790,196

Total of Gold and Silver Coin ..... £4,240,674

Being a decrease of £46,662 on the part of the Irish Banks and an increase of £201,489 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO JUNE 6, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 6th June, 1857:—

Circulation of Notes for the Month ending 6th June, as compared with the previous month:—

	May 9.	June 6.	Increase.	Decrease.
Bank of England .....	£19,660,305	£19,034,965	—	£625,340
Private Banks .....	3,831,402	3,079,323	£147,823	—
Joint-Stock Banks .....	3,172,715	3,077,746	—	94,969
Total in England .....	26,664,422	26,091,936	147,823	720,209
Scotland .....	3,932,834	4,388,189	455,355	—
Ireland .....	7,155,184	6,913,831	—	241,353
United Kingdom.....	£37,752,440	£37,393,956	£663,178	£961,662

The comparison of the month ending June 7th, 1856, with the month ending June 6th, 1857, shows a decrease in the Bank of England circulation of £465,679, an increase in Private Banks of £163,640 and an increase in Joint-Stock Banks of £11,329; being a total decrease in England of £290,710; while in Scotland there is a decrease of £84,570; and in Ireland an increase of £549,452. Thus showing that the month ending 6th June, as compared with the same period last year, presents a decrease of £290,710 in England, and an increase of £174,172 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending June 6th, gives an aggregate amount in both departments of £9,995,372. On a comparison of this with the Return for the month ending May 9th, there appears to be an increase of £363,388; and a decrease of £863,114 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 6th June, was £4,240,674; being an increase of £154,827 as compared with the return of the previous month, and an increase of £233,677 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

**Journal of the Money Market.**

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**AUGUST, 1857.**

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## THE METROPOLITAN JOINT-STOCK BANKS.

THAT the demand for all the legitimate operations of the banker's business is capable of indefinite expansion in proportion as the requisite facilities are multiplied and brought within the reach of all classes of the public, the history of our metropolitan joint-stock banking companies satisfactorily demonstrates. From the first establishment of the London and Westminster, upwards of thirty years ago, the successive half-yearly reports presented by the directors of these institutions to their respective proprietary bodies, tend all to the same result—a constant and rapidly increasing amount of banking business transacted. At first sight it might be supposed that this was but a natural consequence following upon the gigantic strides which, since the dawn of free trade principles, and more especially since their thorough recognition as the ruling national policy, the commerce of the country has taken. The introduction of railways, the extended action of the joint-stock principle in carrying out these and various other important mercantile enterprises—and the gold discoveries in our own and the American colonies which have brought to our shores a continuous stream of the raw material of money in quantities far exceeding any previous estimate our imagination had formed of the gold producing powers of the known world; all these causes may be supposed to have contributed to increase the demand for banks and bankers in this the great emporium of the world's commerce. It would be vain to deny that they have exercised a powerful influence and given a more vigorous impetus to banking trade than it ever before experienced. But potent as things have



unquestionably been separately and collectively in contributing to the result, they scarcely measure to the full extent the causes which have led to the large increase in the number of banking establishments, and to the still more extraordinary addition to the aggregate of banking requirements which have sprung up within the past few years.

The competition which the success of the earlier established joint-stock banks promoted and encouraged has necessarily been accompanied with great advantages to the public. As, tempted by the safe business, and more than anticipated profits of their predecessors, new banks sprung up, it became obvious that their prosperity, if not their existence, must depend far less upon the abstraction of business from the already established banks, than a further development of the trade of banking. They saw that the first object to which their attention must be directed was the enlargement of the area of banking operations. This could be accomplished only by offering such facilities, combined with ample security, as should induce that very considerable portion of the monied community which had not hitherto found their way to the banker's counter, to understand that the most safe, the most simple, and the most economical, and withal the most profitable and satisfactory mode of dealing with floating balances and surplus cash, is to place the money in the hands of the banker. Those facilities and those benefits, liberally tendered, have proved an irresistible source of attraction. The public have responded to the liberality of the new banks by patronising them to an extent exceeding the most sanguine anticipations of their projectors. Nobody imagines that the old private banks have fallen off either in the number of their customers or the amount of money transactions that pass through their hands. On the contrary, they have participated to the full extent in the national prosperity, and are most of them carrying on a larger business and realising greater profits than at any former period.

The highly favourable results, therefore, which the half yearly reports of the joint-stock banking companies exhibit must be regarded as an index of the prodigious development which, under the operation of the causes alluded to, the banking profession has undergone, and is still undergoing—not as a mere transfer of public patronage from one class of institutions to another, and while marking, to some extent, the onward march of national prosperity, indicating still more decidedly the greater appreciation on the part of the public of the value of the banker's agency.

Amongst the various banking establishments which have held their ordinary half-yearly meetings during the past month, the London and Westminster is entitled, from seniority and position,



to the first reference. Their report shows that upon a paid-up capital of £1,000,000 they have realised during the first six months of the present year a nett profit of £104,021, the amount of deposits in their hands, by means of which this profit has been made, having reached the very large aggregate of £14,000,000. A dividend of three per cent., together with a bonus of six per cent. for the half-year, or a division at the rate of eighteen per cent. per annum, besides carrying forward £10,000, or one per cent. in addition to the credit of the current half-year, ought to satisfy the cravings of the greediest of shareholders. Some, however, there were present at the meeting who wished for more, and complained of the conduct of the directors in having set aside an unappropriated balance of last year, and proposing to allocate a further sum annually for the purpose of augmenting the reserve fund. From the statement of Mr. Alderman Salamons, the chairman, it appears that the deposits in the bank have increased during the last ten years at the average rate of about a million a year, the bulk of the increase being in the latter part of the period when the competition of rival banks might have reasonably led to the expectation of a falling off in the business. In 1854, the reserve fund was fixed at £150,000, since then the amount of capital placed in the hands of the bank in the shape of deposits and otherwise in trust, has received the addition of millions. Having regard to this expanded and still expanding trade, the management of the London and Westminster Bank propose to add another £100,000 to their reserve—certainly no unreasonable proposition when the extent of their liabilities and the necessarily fluctuating nature of some at least of the securities in which they are compelled to invest the money entrusted to them are considered.

From the London and Westminster, as the representative of the oldest of our London joint-stock banks, we turn to the City Bank, which may be very fairly taken as the test of the position—of the present position and future prospects of the youngest of these banking co-partneries. Here we have an institution almost of yesterday, the half-yearly meeting held on the 14th ultimo being its third ordinary meeting only; yet the report which the directors then presented was of a character which augurs a career of prosperity equal to any of its cotemporaries. There is one peculiar feature connected with this establishment, as distinguished from others of the same category, which deserves a word of notice. The great majority of the London joint-stock banks have adopted the policy of multiplying branch establishments, and thus, by bringing banking facilities to the inhabitants of the various localities outside



the City at their own doors, extending their connections and adding to the number of their customers. Generally speaking, that policy is reported to have been attended with signal success. The London and Westminster and the Union Bank of London regard their branches as amongst their most important elements of profitable business; but Sir R. Walter Carden, the chairman of the City Bank, considers that branches to banks are like branches to railways—a certain source of absorbing the profits of the parent institution and reducing dividends. Whether he is justified in ascribing to the circumstance that the City Bank eschews branches, the favour with which their shares are regarded in the market, and the very high price relatively at which they stand, may be questioned, looking at the premiums at which the shares of other banks that pursue the opposite course are marketable.

The high price of shares is always a matter of public confidence, and that confidence a management which, resisting the temptation to declare the largest possible dividend at the earliest possible moment out of a profit of £28,000, made in the third half-year, places £18,000 to the credit of the reserve fund, will always command.

Turning to the Union Bank of London, we find that the extraordinary good fortune which has from its commencement attended this very gold mine of banking companies, continues. Twelve-and-a-half per cent. in dividend, and bonus free of income tax, for the half-year, making the division for the whole year at the rate of 20 per cent., indicates an undeviating course of almost fabulous success. The directors might well, under such flourishing circumstances, submit with confidence to their proprietors a recommendation for limiting the dividend and bonus for the future to 20 per cent. per annum as a maximum, with a view of increasing the reserve fund, now standing at £150,000, to £250,000, the sum which by common consent seems to be considered the reserve which prudence demands to be kept in hand for guarding against unlooked-for emergencies. The report of the London Joint-Stock Bank shows an equal proportion of prosperity, the progress of business and of dividends being in the highest degree satisfactory.

One bank, and one only, has to complain of a falling off in the amount of its business, and a consequent diminution of divisible profit. In the case of the Commercial Bank of London the directors are constrained to admit, in their report, that the rumours circulated during the last autumn have operated injuriously upon the concern; but they add, that the explanations they gave at the time and the promptitude with which the pres-



sure upon the bank was met, have satisfied everybody, and brought back many of those customers who, under the influence of the alarm those rumours occasioned, withdrew their accounts. Dividing somewhat closely up, they pay 4 per cent. upon the half-year, making with the previous dividend  $7\frac{1}{2}$  per cent. upon the year, and this, coupled with the statement of the chairman, that they have cash in the Bank of England at call equal to 36 per cent. of all their liabilities, and readily available securities to cover the balance, leaving an ample margin beyond, ought to restore public confidence and speedily bring back this institution to its former prosperous condition.

Upon the whole the half-yearly bank meetings just terminated exhibit a most satisfactory state of progression, in the development of banking business, and go far towards proving that properly and prudently conducted banking is one of the most safe as well as most profitable employments to which surplus capital can be directed.

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#### SCANDINAVIAN BANKING.

DENMARK proper, Sweden and Norway, can scarcely be said to range as centres of vast commercial exchanges, and in so far cannot be connected, either influentially or intimately, with the general European banking and monetary systems. By her transmarine possessions on the Continent of the duchies of Schleswig, Holstein and Lauenburg, Denmark enters, however, into relationship to a larger extent with the German system, and the more especially through the close proximity of Altona in Holstein, her important port on the Elbe, to Hamburg, from which it is less than two miles distant. We are withal much less conversant with the commercial literature and the industrial capacities of the three Scandinavian states, and of the German apapages of the Danish monarchy, than we ought to be, considering the antiquity of connexion and intercourse which has subsisted between them and the British Isles; whilst for what acquaintance we may have with them, we are mainly indebted to German sources. With the facts illustrative of the state of banking science and the progress of banking institutions among those states, our supplies of reliable information are even more scanty still.

At the head of the banking institutions of Denmark stands the Bank or National Bank of Copenhagen, which has the privilege of issue, and appears to be charged with the management



of the paper currency, subject, however, to State control. By or under what conditions the issues of paper money are regulated, we are unable to state; but it may be presumed the rigsbank or rix banco paper dollar, from its par currency at the same rate of value, is convertible on demand into specie. From its being the chief, if not almost sole circulating medium of the country for internal exchanges, this banco paper money must be held in high estimation, and its credit, therefore, well sustained. The bank, we believe, is a joint-stock corporation with a state partnership contribution of capital, as well as a power of control and right of interference, which has been freely exercised on occasion, and not always in times past of financial pressure, with too much discretion; a reproach, however, to which the State is no longer liable. We have not the means of verifying the amount of the banking capital; but that it must be considerable there can be little doubt, from the large share which the bank has taken in more than one of the great loan operations of the government for some years past, to the extent, indeed, of single instances of hundreds of thousands of pounds sterling. Whether with its other functions it acts as a bank of discount and deposit, we are not prepared to say, although such may be assumed to be the case from its position and privilege as a bank of issue. The institution has been the means of contributing very beneficially to the development of agricultural improvement and prosperity in Denmark proper, which beforetime had long been retarded by the want of capital and the absence of credit among a generally small peasant proprietary.

The port and city of Altona, commercially the most important of the Danish monarchy, possesses a branch discount bank which, no doubt, must command a large business at the centre of exchange and money affairs, not only for much of the foreign commerce of Copenhagen and Denmark proper, but for the industry and agricultural products of Holstein and the other German duchies. The city is, besides, the seat of a considerable shipping interest, and a foreign commerce of its own to transatlantic and other even more distant regions, in addition to the herring and whale fisheries, in which it participates extensively. From its greater facilities of access in the Elbe from the sea, and its immediate contiguity, Hamburgh is, however, found to be the more convenient place of resort for the "long voyage" shipping, and for the transaction of a large portion of the foreign business of the merchants of Altona, most of whom, therefore, find it necessary to have auxiliary establishments or counting-houses there, and there also to transfer their dealings



with foreign exchange and banking, as the commercial habits of other countries lead preferentially to drawing upon the great emporium, Hamburg, rather than on Altona, just as bills or credits upon London are preferred in Canton, Rio Janeiro, or elsewhere, to those upon secondary places or capitals here or abroad, in Europe or America. It is not improbable that at Hensburg at least, the next largest port in the Danish dominions after Altona, if not in one or two other of the chief places of trade, there may be other branch discount banks, but we do not find any traces of their existence.

Sweden is more peculiarly the land of paper money than even Denmark proper. At Stockholm there is the State bank, which issues notes called riksdaler (rix dollar), and the riksgäld Contoir, or discount bank, which issues its own notes likewise. The former constitute the official and commercial currency in which the larger order of accounts are kept, and by which adjusted. The latter is the currency in which the ordinary dealings of common life are carried on. The Riksgäld dollar note exchanges in account for two-thirds only of the value of the riksdaler banco; and the latter, again, exchanges against the specie dollar in the invariable proportion of two and two-thirds of the former to one of the latter, as officially announced not long since by circular, from the treasury department of the United States, to the collectors and other officers of customs, for their guidance as regards consular certificates to invoice values being no longer required for the valuation of goods for duty, because of such invoice values being faithfully rendered in the Swedish official banco currency, as till then supposed of an arbitrary and fluctuating rate. It would seem that both the State bank with its banco and the Riksgäld with its paper currency issue notes of all denominations of nominal value, from 8 skillings to 500 dollars banco, the dollar banco being equal to about 20 pence sterling, and 8 skillings at 48 to the dollar banco, equal to  $3\frac{1}{4}$  pence. The paper of the Riksgäld currency, of nominally the same rates of value, is proportionally in exchange with notes banco depreciated to the extent of one-third, as before expressed. We have no data to show the capital stocks of paid-up specie or other values or securities equivalent in the vulgarly accepted sense of all the world, upon and with which the two banks work all their operations of circulation, discounts and exchanges. Nor, truth to say, would capital seem to be more than a superfluous excrescence in the case other than what is more readily and inexpensively supplied by paper mills, seeing that, as we are assured on competent authority, "such is the prejudice in favour of paper money that, in the small towns and remote districts,



coins, excepting those of copper to a small value, are often refused as payment." Now, there is a smaller coin than even the skilling value of less than one halfpenny, for there is the rundstycken, of which twelve are required to make up one skilling.

It must be observed, however, that the universal use and preference of paper moneys remarked upon has reference only to the internal dealings and exchanges of the country itself. In foreign dealings it follows the general law, and pays or receives in specie at the rates of exchange current or agreed upon, either by remittance direct, or by bills or orders payable or receivable elsewhere, unless in the rare instances of barter operations. It scarcely needs to be said that the same banking, currency, and exchange laws govern in Gothenburg and other chief ports, trading places, and cities of Sweden as in Stockholm and all over the kingdom. We are not aware of the existence of any banks of issue in Gothenburg, or anywhere out of Stockholm.

The federal kingdom of Norway has its one State bank, the principal seat of which is at Trondbjem or Drontheim, its ancient capital, with branches at Christiania, Bergen, and Christiansand. It was established in 1816, with a capital of two millions of specie dollars, raised by a sort of forced loan, divided into negotiable shares, and distributed among the parties who had been obliged to contribute to the capital stock. These shares are stated to be now worth some 50 per cent. above par. The directors are named by the Storthing or Norwegian Parliament, to whom they render their accounts. The bank issues notes of 100, 50, 10, and even down to 1 specie dollar. It discounts bills at two and three months' date, at the charge of 6 per cent.; opens current accounts, receives deposits, but allows no interest for them, makes payments and collects accounts for customers. Its dividends to the shareholders have not been less than 6 to 7 per cent., but more it is believed. The bank's business mainly consists in making advances upon good landed securities in its own notes, to an extent not exceeding two-thirds of the value of the property, at 4 per cent. interest. Its notes are convertible into silver on demand, and circulate generally on par or nearly equal conditions. The Norwegian specie dollar is equal to about 52½ pence sterling.

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## TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for the month of May were issued on the 26th of June, and present the extraordinary increase of £2,648,904 in the declared value of our exportations as compared with the corresponding month of 1856. The principal augmentation is in the shipment of cotton goods, but these, judging from recent accounts from Manchester, cannot have left much profit. The next largest improvement is in woollens, and after these machinery and iron and copper manufactures show the greatest activity. Among our staple manufactures none are on the unfavourable side. The subjoined table exhibits the exact increase or decrease under each head:—

## DECLARED VALUE OF EXPORTATIONS.

Months ending May 31st, 1856, and May 31st, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£137,682	£183,031	£45,349	—
Beer and ale ... ..	174,712	129,740	—	44,972
Books ... ..	32,867	37,428	4,561	—
Butter ... ..	24,177	29,935	5,758	—
Candles ... ..	39,716	27,627	—	12,089
Cheese ... ..	14,245	9,313	—	4,932
Coals and culm ... ..	246,361	302,634	56,273	—
Cordage ... ..	21,643	16,399	—	5,244
Cottons ... ..	2,066,462	2,916,951	850,489	—
Cotton yarn ... ..	472,552	770,818	298,266	—
Earthenware ... ..	93,327	131,866	38,539	—
Fish ... ..	6,017	7,348	1,331	—
Furniture ... ..	16,772	80,740	13,968	—
Glass ... ..	48,262	58,497	10,235	—
Haberdashery ... ..	243,596	332,977	99,381	—
Hardwares ... ..	283,979	354,489	70,510	—
Leather ... ..	137,091	234,093	97,002	—
Linens ... ..	321,740	388,735	66,995	—
Linen yarn ... ..	78,124	152,640	74,516	—
Machinery ... ..	197,513	387,376	189,863	—
Iron and steel ... ..	1,263,565	1,447,757	184,192	—
Copper and brass ... ..	200,918	255,142	54,324	—
Lead ... ..	88,211	87,610	—	601
Tin ... ..	163,312	182,223	18,911	—
Oil, seed ... ..	86,974	57,758	—	29,216
Painters' colours ... ..	30,319	43,747	13,428	—
Pickles and sauces ... ..	36,772	30,035	—	6,637
Plate and jewellery ... ..	33,934	43,609	9,675	—
Salt ... ..	35,643	45,210	9,567	—
Silks ... ..	203,198	257,976	54,778	—
Soap ... ..	21,749	25,196	3,447	—
Soda ... ..	46,982	74,419	27,437	—
Spirits ... ..	67,164	83,238	16,074	—
Stationery ... ..	73,447	65,017	—	8,430
Sugar, refined ... ..	109,542	55,144	—	54,398
Wool ... ..	37,598	57,697	20,099	—
Woollens ... ..	675,555	1,020,593	345,038	—
Woollen Yarn ... ..	210,329	241,006	30,677	—
Unenumerated articles ... ..	691,350	806,190	114,840	—
<b>Total ... ..</b>	<b>8,733,300</b>	<b>11,382,204</b>		



The total increase in our exports for the first five months of the year has been £6,888,212, or more than 13 per cent., and it has occurred in the following order :—

January, increase	...	...	...	...	£1,083,319
February —	...	...	...	...	1,587,293
March —	...	...	...	...	1,007,778
April —	...	...	...	...	560,918
May —	...	...	...	...	2,648,904

Compared with the corresponding five months of 1855, the increase is £15,251,814, or nearly 44 per cent.

With regard to imported commodities the arrivals generally show a rather large diminution, while there has been no corresponding decrease in consumption.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Months ending May 31st, 1856, and May 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	206,600	196,279	206,600	196,279
Grain of other descriptions, qrs.	197,921	350,464	197,921	350,464
Indian corn, qrs.... ..	167,497	102,504	167,497	102,504
Flour and meal, cwt. ... ..	270,673	189,362	270,673	189,362
Provisions—Bacon, &c. &c., cwt.	142,390	140,559	Free.	Free.
Butter and cheese, cwt. ... ..	77,974	69,739	79,623	67,908
Animals, No. ... ..	6,438	12,510	Free.	Free.
Eggs, No. ... ..	12,565,400	15,758,800	12,565,400	15,759,200
Cocoa, lb. ... ..	624,282	1,232,763	272,292	221,460
Coffee, lb. ... ..	5,829,180	2,279,894	2,952,070	2,910,163
Sugar, cwt. ... ..	723,112	489,004	734,699	743,802
Tea, lb.... ..	7,658,937	3,149,595	4,877,450	5,323,535
Rice, cwt. ... ..	810,939	217,773	108,764	111,715
Spirits, gallons ... ..	1,114,024	754,934	388,353	352,997
Wines, gallons ... ..	1,072,092	1,062,204	603,440	615,918
Tobacco, lb. ... ..	1,385,691	1,555,034	2,676,926	2,650,032
Currants, figs and raisins, cwt....	793	16,249	27,706	21,509
Lemons and oranges, bushels ...	43,426	57,587	43,384	57,351
Spices, lb. ... ..	1,136,003	207,511	330,616	286,626
Ditto, cwt. ... ..	1,391	1,878	298	931

The following are the comparative imports and exports of raw material :—

Months ending May 31st, 1856, and May 31st, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	62,487	51,274	—	—
Hemp, cwt ... ..	138,499	125,340	—	—
Raw silk, lb. ... ..	636,058	752,474	107,679	113,942
Cotton, cwt.... ..	1,747,337	917,872	147,730	188,558
Wool, lb. ... ..	14,326,521	16,589,582	2,596,323	6,706,800
Tallow, cwt. ... ..	58,181	71,518	—	—



Of silk manufactures the totals stand thus :—

Months ending May 31st, 1856, and May 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Silk manufactures of Europe, lb.	68,026	48,984	66,615	46,484
Ditto of India, pieces ... ..	12,610	15,367	5,109	6,675

In the miscellaneous imports, which were very large in the preceding month, there has been a diminution that will help to account for the temporary cessation of the drain of gold. If this, however, instead of being a consequence of economy on the part of the population, has merely been attained by drawing upon existing stocks, it will have to be made up at a future time.

#### THE REDUCTION OF THE BANK RATE OF DISCOUNT.

THE general state of the money market is decidedly more favourable, and the Bank directors have at length made a further reduction in the rate of discount. This was accomplished on the 16th of July, when it was announced that the terms for the negotiation of mercantile paper will in future be  $5\frac{1}{2}$  instead of 6 per cent. So encouraging a position of things has not been witnessed for a long period, and there are expectations that a reduction to 5 per cent. will not be delayed. The favourable weather for the harvest, the influx of the precious metals, and the expectation that the speculation on the Paris Bourse has at length been fairly worn out, causes a hope that, unless the Indian disaster should involve a serious expenditure, there will at least be a period of temporary ease.

The *Times*, remarking on the alteration, observed :—

The Bank of England have lowered their rate of discount to-day from per cent., at which it had stood since the 18th ult., to  $5\frac{1}{2}$  per cent.

This movement merely fulfils the general expectation. The increase in the bullion since the last change in the rate is £607,000, and, as the stock is still steadily augmenting, there was no reason for hesitation. Some persons have supposed even that a drop to 5 per cent. was not improbable ; but on no occasion within the past ten years, except in May last, when the step was soon proved to have been premature, have the bank lowered their rate to that point without the amount of bullion being considerably higher than it is at present. Pending the harvest, therefore, and with the contingencies of the Indian war before us, an alteration greater than that now resolved upon would hardly have appeared prudent.

The funds have again been very heavy to-day, but a partial recovery took place late in the afternoon. Consols for money opened at the final quotation of last evening— $91\frac{1}{2}$  to £, and upon the announcement that the bank court, after a very short sitting, had reduced the rate of discount, the market assumed a slightly firmer tone. A further succession of speculative



sales then commenced, and the last official transactions were at 91½ to ½ for money, and 91½ to ½ for the account. After regular hours, however, operations were entered into for the account at 91½. The depressing influence during the day seemed principally to consist of a report that the Government are about to propose a loan of £5,000,000 for the service of the East India Company, but this would be wholly inconsistent with precedent, since the financial wants of India are always met from the resources of that country, while at the same time it is understood that the company hold at present in London £2,000,000 of Exchequer-bills, which will be amply sufficient for all their immediate wants. Of course, these Exchequer-bills cannot be put upon the market without causing a violent fall, unless some arrangement to facilitate the process be made with the Government or the Bank of England; but, as the proceeds will be applied for the most part to payments in this country for the hire of steamships, &c., there will be no withdrawal of the money calculated to lead to continued inconvenience.

*The Morning Herald* thus referred to the same subject :—

The directors of the Bank of England, at their weekly board to-day, reduced the rate of discount to 5½ per cent. The measure was one which it was anticipated would have been adopted last week but for the uncertainty connected with the state of affairs in India. Notwithstanding much apprehension still exists with respect to the ultimate effect of the insurrectionary movement in Bengal and Bombay, the favourable condition of the weather, with the rapid accumulation of gold in the Bank vaults, has placed the directors in the position to make this relaxation. The court were only occupied a short time in deliberation, and so unanimous was the opinion in favour of an alteration, that the question of a reduction to the extent of 1 per cent. was alleged to have been brought under consideration. If such, in reality, were the case, most persons will agree that the middle course was the wisest to pursue, with the view of preventing any sudden reaction, should an advance again become necessary. The uneasiness apparent consequent upon the advices by the last overland mail, has in a great degree counterbalanced the prospective benefit to be derived from an easier money-market and an abundant harvest; but it is, nevertheless, yet thought that a further decline may take place in the rate of discount, should the outlay for the repression of the sepoy mutiny not prove excessive. In the midst of business, and shortly after the intimation of the Bank's alteration, there was a temporary sensation created by a report that a loan of £5,000,000 would be immediately required to provide for the exigencies associated with the Indian service, and it operated unfavourably on the value of public securities. It was not, however, believed to have any foundation in truth, and the effect produced was afterwards partially dissipated. At the same time, it may be remarked, that panic symptoms were plainly noticeable throughout the day, which may be considered to have been increased by the proposed new attempt to raise financial supplies for Turkey.

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## THE CONSPIRACY TO DAMAGE THE CREDIT OF THE BANK OF LONDON.

IN the Court of Queen's Bench on the 6th of July, William Cockburn and William John Lawson were indicted before Lord Campbell for conspiring to damage the credit of the Bank of London, by the publication of a series of libels in a paper called the *Joint-stock Companies Journal*.

Mr. Edwin James, Q.C., Mr. Bodkin, and Mr. Turner appeared for the prosecution; Mr. Henry and Mr. Gent appeared for the defendant Cockburn; and Mr. D. Seymour for the other defendant W. J. Lawson.

Mr. James, in opening the case, said the present prosecution was instituted by the directors of the Bank of London, and the indictment charged the defendants, Cockburn and Lawson, with a conspiracy to injure the credit of the Bank of London, and with the object, as would appear in the course of the trial, to extort money from the directors. The Bank of London was established in 1855, with Sir John Shelley, the member for Westminster, as the chairman; and it would appear that Lawson had made a claim upon the bank in respect of some abortive scheme which he had formed for the establishment of a bank with the same name. He had also brought an action against the company for pirating the name of the "Bank of London," but the Court had decided, upon demurrer, that he (Lawson) had no claim upon the bank, and that the action would not lie. It would be shown that the two defendants, Cockburn and Lawson, had joined in carrying on together a paper called the *Joint-stock Companies Journal*, in which the libels now complained of had been published. One of these articles was contained in a number dated the 18th of April, 1857. It would be shown that the journal in question was entered at Stationers' Hall as published by "John Muir, jun., Bouverie-street," a young man who had given no authority for the use of his name; and the name of the proprietor was stated to be "Guillaume Colebrant, of 35, Clarendon-street, London," which would be shown to be a disguised representation of "William Cockburn," the defendant, who lived in Clarendon-street. It would be shown that the defendant Cockburn had made application to the Bank of London to have their advertisements inserted in his paper; and on some occasions the advertising agents, to whom this matter was left, had given him advertisements, but subsequently this was discontinued. In consequence of this refusal, the article of the 18th of April was published; and boys were hired to go about the streets with placards to promote its sale. The boys were told to walk up and down the streets, and if they could not sell them they were instructed to go into the banking houses and give them away. The boy was arrested and taken before the Lord Mayor, and when inquiries and searches were made, it was discovered that the proof of the article of the 18th of April contained corrections in the handwriting of the defendant Lawson. It would appear that an article was published in the *Atlas* on the 11th of April, in which some comments were made on the Bank of London, but the *Atlas* had in a subsequent number withdrawn the imputation. The article, as it appeared in the *Atlas* on the 18th of April, was as follows:—

### "THE BANK OF LONDON.

"The vice-chairman of the Bank of London has, in a note to *The Times* (which we subjoin), referred to some remarks of ours on the Bank of London. In so far as he imagines that it was an implication of Sir John Shelley as having received advances, he is in error, and, if open to that construction, it was not intended, and we should much regret it. Sir John, at a recent meeting, stated that directors had received advances. We object to any director receiving advances, and therefore our observations



on that head were general. The Bank of London was merely introduced as an illustration, and the observations made as to directors generally were in condemnation of such men as had unfortunately been directors of the British and Eastern Banks, and had no reference to gentlemen possessing the commercial standing of most of the directors of the Bank of London. We are pleased at Mr. Frith's statement as to the bank, while his remarks as to ourselves proceed upon an interpretation of the article which we think strained. However, as we have no desire personally to attack any man, but only to assert a principle, we readily give publicity to the letter to which we have referred:—

“ ‘Bank of London, Threadneedle-street, City,

“ ‘April 13.

“ ‘Sir,—A statement having appeared in the columns of one of your weekly contemporaries (the *Atlas*), to the effect that the directors of this bank ‘are debtors to the bank,’ that ‘they became directors in order to avail themselves of their position to secure facilities for credit denied to them on their intrinsic merits,’ and connecting the name of Sir John Shelley with the statement, with the evident intention of leading the public to infer that he is indebted to this bank, I beg the favour of your affording me the opportunity for the instant contradiction of so false and injurious a statement. Sir John Shelley is not indebted one shilling to this bank; on the contrary, the bank has a considerable balance standing to the credit of his account; and, with respect to the unworthy motive attributed to the other directors in joining the bank, the best reply will be that no director in this bank has, or can have, an advance upon anything but first-class bills of exchange, or upon such convertible security as would be readily taken by the Bank of England, or by any London banker. Sir John is not in town to-day, but I have felt it due to him as a public man, and also to the bank over which he presides, to lose no time in contradicting so unwarrantable a statement.

“ ‘I have the honour to be, sir, your very obedient servant,

“ ‘JOHN GRIFFITH FRITH, Vice-Chairman.’ ”

The imputation cast upon Sir John Shelley and the Bank of London being thus withdrawn by the *Atlas*, the defendant Cockburn published the article now complained of in the *Joint-stock Companies Journal*. It is purported to have been published on the 18th of April, but it would be proved in evidence that it was not, in fact, printed till the 23rd of April. The article was as follows:—

“ ‘BANK OF LONDON AND “ATLAS” NEWSPAPER.

“ ‘An article which appeared in the last number of our excellent contemporary, the *Atlas*, has, it seems, raised the bile of the board of directors of the Bank of London. The vice-chairman, as he calls himself, John Griffith Frith, Esq., has addressed a letter to *The Times* in defence of the moral character of his colleagues in the direction, and of the chairman, Sir John Villiers Shelley, in particular. In our impression of the 4th inst., we gave it as our opinion that the Bank of London could not much longer afford to treat public opinion with contempt; the letter above referred to, which will be found in another column, is a clear proof that our opinion was sound. Those who are familiar with the circumstances attending the antecedents of the Bank of London, which have from time to time appeared in this journal, can now form an opinion whether the parties whose moral conduct has been denounced are or are not capable of helping themselves to the funds of the bank in the manner announced by the *Atlas*—namely, ‘That the directors received advances, and were debtors to the Bank of London, and the free use of the names to whom such advances have been



made at once, attests the public opinion that such a practice is radically unsound.' The article from whence we quote the above goes on to assert what we have over and over again asserted—'That the men who seek to become directors in order to avail themselves of their position to secure facilities of credit, denied to them on their own intrinsic merits, are not the men to be retained in positions of such commanding influence;' and further, that confidence would be felt—in fact, 'greater confidence cannot exist, while a baronet and a country gentleman holds the post,' and that it is time 'that a man of commercial position was sought and secured as chairman.' Allusion is pointedly made to Sir John Villiers Shelley, the chairman of the Bank of London, but our excellent contemporary has no doubt forgotten the course pursued by the directors of the Bank of London, who, through their chairman, who is a member of Parliament, succeeded in obtaining a short act during the last session to amend (P) that part of the Bank Act which compels one-fourth of the number of directors in banks to retire every year, and not be eligible for re-election for the space of twelve months from their retirement. This wholesome provision was doubtless introduced in order to prevent directors making a property of their positions, and thereby opening the door for fraudulent practices. Why the chairman of the Bank of London and his colleagues in the direction sought for and obtained the repeal of the above-mentioned clause will probably some day be made manifest; but after the gross abuse of the power by the directors of the Royal British Bank and the London and Eastern Bank, the above wholesome clause must be reinstated in the forthcoming Banking Act, otherwise directors will hold their positions for life; for, although it may be a practice in most joint-stock banks for some portion of the directors to retire from the direction annually, yet, as they are eligible to be immediately re-elected, such retirement is purely nominal, and, in fact, a mere farce, for, in the event of opposition, the board of directors can always command a sufficient number of votes and proxies to insure the election of every such retiring director. The worthy vice-chairman of the Bank of London repudiates and utterly denies the above assertion respecting his colleagues; but we belong to that unsophisticated class of individuals who cling to the old-fashioned axiom that 'where there is smoke there must be fire.' Does any one in his senses suppose that the respectable parties connected with the *Atlas* newspaper gratuitously have inserted so damaging an accusation without having good and solid grounds to justify them in drawing public attention to the circumstances alluded to? The public will do well to place in juxtaposition the two assertions—the one emanating from a public journal, the directors of which have a duty to perform and an interest to maintain, and on that account no doubt feel themselves justified in holding up to scorn and contempt the conduct of such as would endeavour to impose on public credulity. On the other hand, we have the denial of an interested party—one whose public conduct and moral character is on trial, and whose interest it is to prevent, by every means in his power, the transactions of the board of directors becoming known to the public. Had this gentleman, during the time he was vice-chairman in another bank, taken as much pains to enlighten the public on the vices of his then chief, John Sadleir, as he is now endeavouring to do with the virtues of his present colleagues, 'he would have done the state some service.'

The same number of the *Joint-stock Companies Journal* contains a statement that nearly one-third of the body of the shareholders in the Bank of London had ceased to be shareholders during the previous year; but that would be shown to be in the ordinary course of business, and the shares had been transferred to other shareholders. The Bank of London had



been established with a capital of £600,000, and half of that sum, £300,000, had been paid up before business was commenced; and it would be shown that when the article now in question was published the deposits in the bank amounted to the sum of £1,239,103. The following witnesses were then examined:—

Benjamin Scott, examined by Mr. Bodkin, said:—I am the secretary to the Bank of London. I was concerned in its establishment. I was the originator of the bank. I was before that the chief clerk in the Chamberlain's office. I projected the bank in January, 1855. It was first proposed to be called the Metropolitan Bank. The title of the Bank of London was adopted within two or three days, and adopted by me. It was proposed by Mr. Shepherd, my private solicitor. I have never heard of the title before. Its establishment was announced in the money articles of the morning papers on the 13th or 15th of February. In about ten days or a fortnight after that announcement the defendant Lawson called on me in Moorgate-street, at our temporary offices. He was a stranger to me. He said he had himself formerly attempted to found a bank to be called the Bank of London, and he showed me a blank prospectus which he had printed. There were no names of directors or officers. I observed to him that he had no names of directors. He remarked that that had been his chief difficulty; that no sooner had he obtained three directors than one left him. He said the scheme had been unsuccessful, and he treated it altogether as a past attempt. He made no complaint of the company for the use of this title (of Bank of London). I did not see him again till I saw him at the Mansion-house, in connection with these proceedings for libel, in April of the present year. I produce a letter from the defendant Lawson, dated the 11th of April, demanding the appointment of manager of the bank. This letter of the 21st of April, 1855, from the defendant Lawson to Sir John Shelley and directors was also received. The letter was answered by the solicitors, Messrs. Tyrrel and Payne. I know a publication called the *Joint-stock Companies Journal*. It has repeatedly been left at the bank—I believe every publication. The bank commenced business at the Hall of Commerce on the 22nd of August, 1855. The journal was left without orders. I know the other defendant (William Cockburn). In September, 1856, he called at the bank. The manager complained to me that he would not leave unless I saw him. I told him he could not be allowed to trouble the manager about advertisements, and requested him to leave. I said neither I nor the manager would allow our time to be taken up by canvassing advertising agents. I informed him that we did our business of advertising through advertising agents. He then left the bank. I afterwards saw an advertisement of the bank in that journal, and noticed it some weeks previously. I gave directions to our agents to discontinue such advertisements. Cross-examined by Mr. Horry.—Sir John Shelley was the first director I spoke to. Sir John Shelley, myself, and the solicitors were the first who met. Mr. Frith began to attend in April, 1855. He was vice-chairman of the London and County Bank. Our solicitor directed the boys to be taken into custody, and sent to the Mansion-house. I read the copies of the journal left at our office. It began in August or September. There was an abusive article on myself after I had requested Cockburn to leave the bank. I wrote a letter to various news agents after I saw the placards. They were immediately removed. We employed a detective officer. I see this list of retired directors in the number of the 18th of April. By Mr. Seymour.—I never saw the name "Bank of London," in a window in Birchin-lane. I never saw any advertisement with that name. I know *Lawson's History*



of Banking. I did not know him (Lawson) as connected with the *Merchants' Magazine*.

Mr. Marshall, examined by Mr. James, said,—I am the manager of the Bank of London. The capital of the bank was £600,000; £300,000 was paid up before we opened the bank. In April, 1857, we had deposits to the extent of £1,239,103. It was in a flourishing and sound condition. Cross-examined by Mr. Horry—I believe this to be a copy of our first prospectus. I was a number of years in the Bank of England; in nearly all departments on the cashier's side. My last office was that of confidential correspondent. I was never concerned in the management of a bank before.

Sir John Shelley, examined by Mr. James—I am member for the city of Westminster, and chairman of the Bank of London. I joined it from the very beginning. On the 18th of April the bank was in a sound and flourishing condition, and was gradually progressing.

Mr. James said he had called Sir John Shelley because the defendant Cockburn had given the prosecutors notice to produce him. (Laughter).

Cross-examined by Mr. Horry—I brought in this bill and carried it through. I did so after conferring with the directors of all the joint-stock banks. The object was to make directors re-eligible.

By Mr. Seymour—I do not know Mr. Lawson.

John Griffith Frith, examined by Mr. James, said—I am an East Indian merchant. The firm is Sands and Co. I am vice-chairman of the Bank of London. I joined it in April, 1855. I had been vice-chairman in the London and County Bank, of which Mr. John Sadleir was chairman. I have read this paragraph in the article of the 18th of April, in the *Joint-stock Companies Journal* :—

"Had this gentleman, during the time he was vice-chairman in another bank, taken as much pains to enlighten the public on the vices of his then chief, John Sadleir, as he is now endeavouring to do with the virtues of his present colleagues, he would have done the State some service."

I left the London and County Bank on the 24th of January, 1855. My reason was on account of differences of opinion with Mr. Sadleir. I found fault with the manner in which business was carried on. I did not countenance the views of Mr. Sadleir; quite the contrary. The majority of the board supported him. I objected to it, and left. That is now a respectable bank.

Lord Campbell—There is nothing disparaging to it.

A jurymen who seemed to take a warm interest in the trial, here said, he wished it to be understood that the London and County Bank was now a respectable establishment.

Mr. James said, he had the honour to be standing counsel to the London and County Bank, and confirmed the jurymen's statement.

Cross-examined by Mr. Horry—I was seven years vice-chairman. Mr. John Sadleir was five years chairman. At his death he was indebted £100,000 to the bank. That debt had accrued during the last three years of my vice-chairmanship.

By Mr. Seymour—I did not communicate my opinions to the shareholders.

The following documents were then read, stating the grounds on which the witness was requested to resign his seat :—

"London and County Bank, 21, Lombard-street, London,  
24th January, 1855.

"Extract from the minutes of a Board meeting held this day.

"Present, John Sadleir, M.P., in the chair.

"Resolved,—That under the present unfortunate relations existing be-



tween our chairman, John Sadleir, Esq., M.P., and deputy-chairman, John Griffith Frith, Esq., as to the principles on which certain accounts should be conducted, in which the latter has taken a line contrary to the opinions of the former and a majority of the board, Mr. Frith be requested to resign his seat, for the sole reason that we consider it more important to the interests of the bank to retain the service of Mr. Sadleir than those of Mr. Frith, of whom and his honourable, upright and manly conduct during the ten years he has been connected with the establishment, we desire to record our highest opinion; and though we have with much regret come to the present unanimous resolution for the reason assigned, we desire to offer to Mr. Frith our cordial good wishes for his continued health and prosperity.

"Resolved,—That a copy of this resolution be officially sent to Mr. Frith, and to each of our shareholders.

"JOHN SADLEIR, Chairman.

"R. O. Nichols, Secretary."—A correct extract.

Cross-examination continued—I know Mr. Nichols, the secretary of the London and County Bank. I heard of Mr. Lawson's bank. I had a prospectus sent to me. It was in 1852 or 1853.

Paul Graham examined by Mr. Bodkin—I am a printer in New-street-square, Fleet-street. I was employed to print the *Joint-stock Companies Journal* in December, 1855. Ramsey and Menzies were the proprietors. I continued to print it for them down to August, 1856. It was a weekly publication. The defendant Cockburn was employed by them as an advertisement collector. It ceased in August, 1856, for two or three weeks. After that interval the defendant Cockburn call on me and asked me what I would charge per week for printing it. I told him my terms and undertook the printing. He (Cockburn) paid me. I do not do press work, but merely set up the form. I know the defendant Lawson. I saw him in the course of two or three weeks. He came to my office with Mr. Cockburn. Mr. Lawson used to correct the proofs of the articles that were to appear in the journal. He called several times after that. I delivered the proofs to Lawson. He revised and corrected them. I got the manuscripts from Mr. Cockburn. Lawson came two or three times in the course of a month. He generally came on a Friday. I know a lad named Simm. He was in Cockburn's employ. He sometimes brought manuscripts for the paper, and took away proofs. Lawson corrected proofs up to last Christmas. Simm and sometimes Cockburn brought the proofs back. On one occasion, when I mentioned Lawson's name, Cockburn said, "Hush, I don't want the boys to know the name of that writer of this journal." I asked him what I should call Mr. Lawson? He said, "Mr. Williams." After that I spoke of Lawson in the hearing of the men in the name of Williams. I composed the journal till the 4th of last April. On the 30th of April I remember two gentlemen, accompanied by Spittle, the officer, coming to my place. I was engaged, and they went away, and were to come again at three o'clock. After they had left Cockburn came in. I was engaged in collecting the manuscripts of the paper. I told him three gentlemen had called about a libel in the *Joint-stock Companies Journal*. His answer was, "I hope you will not let them have any of my copy. I don't want it to get into other hands." I did not give him up any papers. These three papers are the manuscripts of articles that have appeared in the Journal. On the paper (D) there is an endorsement in the handwriting of Cockburn ("Certainly insert. W. C.") Cross-examined by Mr. Seymour—I always addressed Lawson by his own name. He never wished me to conceal his name. He has never been at the office since Christmas. Re-examined—The three papers are in Lawson's handwriting. (The papers were here read.)



Mr. James said these papers were produced to show the general concurrence of Lawson in the conduct of the journal.

A proof was then handed to witness, who said that the proof of the libel of the 18th of April had a correction in Lawsons' handwriting.

Isaac Argent, examined by Mr. James, said—I am a printer, at No. 3, Falcon-court, Fleet-street. I was employed to compose and set up the *Joint-stock Companies Journal* of the 18th of April, 1857. Cockburn brought me the manuscript. I set it up ready for the machine printer. It went from my place four days after, early in the morning of the 23rd of April. I remember the proceedings at the Mansion-house. After that a nephew of Cockburn's, whom I have seen with him, came and took away the manuscripts. After that Spittle came and found this document in Lawson's handwriting. Cockburn had brought that to me with the handwriting in the margin. This is the article that was set up by me for the number of the 18th of April.

The entry at Stationers'-hall, dated August 8, 1856, of the *Joint-stock Companies Journal* was put in and read. The name of publisher and place of publication were "John Muir, jun., 34, Bouverie-street, Fleet-street." Name and place of abode of the proprietor of the copyright, "Guillaume Coldbrant, 38, Clarendon-street, London." Date of first publication, "August 2, 1856."

Argent being recalled and cross-examined by Mr. Seymour, said—I do not speak to the correction on the left-hand side of the proof, but I have no doubt the one on the other side is Lawson's.

John Muir, examined by Mr. Bodkin—I am a printer at 274, Strand. I printed the number of the 18th of April. I brought the types from Mr. Argent's office. I printed 1,000. The number varied from 750 to 1,000. Cockburn took them away. I am related to him. I have seen Lawson once or twice. In October last Lawson called to see Cockburn, and remained about five minutes.

John Muir, Jun., examined by Mr. Bodkin—I am the son of the last witness. I am 20. I am an engineer's labourer, and live with my father in the Strand. I have had nothing to do with the publication of that paper. I did not authorise any one to announce me as the publisher.

Cross-examined by Mr. Horry—It was never proposed to me.

Frederick Simm, examined by Mr. James, said—I know Mr. Cockburn. He lives at No. 38, Clarendon-street, St. George New-town, Dover-road. In April this year I had been from nine to twelve months in his service. He employed me to deliver papers at the banks and public offices in London. He had an office at No. 224, Strand. I know Lawson. I was in the habit of taking papers backwards and forwards from Lawson to Cockburn, and from Cockburn to Lawson. I used to see Lawson at the City of London Union Office in St. Mary-axe. He was writing there. I used to take papers to him also at No. 91, Queen-street, Cheapside, a tea-grocer's. I used to wait for the papers and then take them back to the printer's. They were proofs. I saw Mr. Lawson open the envelopes. I was taken into custody on the 27th of April. On Monday, the 27th of April, I went to Cockburn's house in Clarendon-street between 8 and half-past 8. I saw a number of copies of the *Joint-stock Companies Journal* there. He told me I was to fold some up. I did so in his house. He told me to go and try and sell some. I was to go to the Royal Exchange or Flower-Pot Tavern, and he would meet me there. He gave me 100 papers. I went into the city, and he (Cockburn) met me at the Royal Exchange. He asked me if I had sold any, and I told him no. He told me to stop there a minute.



After that he came back and placed a board round my neck. This is the board. (It was produced in court, and contained two placards on it, of which the following is a copy) :—

“Bank of London.  
Retirement of  
140 Shareholders.  
For List of Names, see  
Joint-stock Companies Journal.  
Sold here.”

He told me to walk up and down, and go into all the banks and insurance offices in Lombard-street and ask if they would buy it. He told me if a policeman told me to move on I was to go a little way, and then come back again, and if the policeman were to say he would take me into custody I was to say I didn't care, for he would soon fetch me out of prison. I walked about opposite the Bank of London, and in Lombard-street. There was a crowd collected round me. It was price 4d. I sold some. Mr. Cockburn told me afterwards I took 5s. 10d. I gave him the money after I was discharged. He came to me at the Royal Exchange. I don't know where he was when I was taken into custody. When Cockburn was putting the placard round my neck some gentlemen asked if the placard was true, and Mr. Cockburn said, “Yes, it was quite as true as that was about the British Bank.” I was taken into custody at the bottom of King William-street, near Lombard-street. I was in the habit of leaving copies of the paper at the London Joint-stock Bank in Prince's-street. They told me not to leave any more. I told that to Cockburn. He told me to tell them that they need not pay for them. I continued to leave them without being paid for them. I always used to take some copies of the paper to Lawson every time the paper came out. I used to take six copies to No. 91, Queen-street, Cheapside. Cross-examined by Mr. Horry—I was taken before the Lord Mayor on a charge of making a disturbance. The officer then took me to a coffee-house, and he has kept me till to-day. Mr. Spittle was the officer. One of the clerks at Guildhall fetched me away. I was taken to Bow-lane police station, and then to the Mansion House. By Mr. Seymour—I went more than four or five times with proofs to Lawson's. I went seven or eight times. It was five or six weeks before the 27th of April that I took proofs to Lawson.

Francis Palmer, examined by Mr. James, said—I am a clerk in the secretary's office of the Bank of London. Shares to the number of 140 had been transferred to other shareholders. The defendant Cockburn applied to me, and said if I would get his name put down on the list for advertisements he would furnish me with orders for the theatres. He had applied to me for copies of the report. I furnished him with copies of the report, but I resisted his application for advertisements. Cross-examined by Mr. Horry—He called at least a dozen times from the latter part of the summer of 1856. Canvassing for advertisements is not unusual.

William Locke, examined by Mr. Bodkin—I am a Scotch woollen draper in Regent-street. The defendant Lawson called on me several times; on one occasion, in October, 1856, he put this letter into my hands, stating that he had a claim upon the Bank of London. After the proceedings before the Lord Mayor he called upon me to assist him to get counsel. I said I could not assist one friend against another. He said he had a claim against the bank, and that if that was satisfied there would be an end of it. I have known the defendant Lawson thirty years as a writer in the magazines. The second edition of Mr. Lawson's work, *The*



*History of Banking*, was dedicated, by permission, to the governor, deputy-governor and directors of the Bank of England.

Mr. Davis, a clerk in the office of Messrs. Tyrrell and Payne, solicitors to the Bank of London, proved that he had searched to see if there was any register of the *Joint-stock Companies Journal* at Somerset House, but had found none. The defendant Lawson brought an action against the Bank of London in November, 1855, in respect of a claim upon the bank. It was decided on demurrer in April, 1856, in favour of the bank, that he (Lawson) had no cause of action.

The libel of the 18th of April was here read.

A witness was called who produced a copy of the *Atlas* of the 18th of April, which contained the article above printed.

This was the case for the prosecution.

Mr. Horry then addressed the jury for his client, and contended that banking companies were open to fair comments upon their proceedings, and that the article in question did not transgress the limits which were allowed by law to a public journalist. He said it was admitted by Mr. Frith, in the letter which he had published, that some of the directors of the bank had received advances, for he stated that "no director in this bank has, or can have, an advance upon anything but first-class bills of exchange, or upon such convertible security as would be readily taken by the Bank of England or by any London banker." But who were to be the judges of those securities? Why the directors themselves. The learned counsel said the article did not attack any individual director; no director was named; and he contended there was nothing libellous in it. The charge against the defendants was that they had conspired together to damage the credit of the bank; but where was there any evidence of any conspiracy or combination? The defendants were never shown to have been together, except on one or two occasions, and then only for a few minutes.

Mr. Seymour then addressed the jury for the defendant Lawson, and began by repudiating altogether the insinuations which had been thrown out by Mr. Horry upon the conduct of the directors of the Bank of London. He referred to Mr. Lawson's reputation as a writer for thirty years in this metropolis, and to his work *The History of Banking*, which, it could not be denied, was dedicated by permission to the governors of the Bank of England. He hoped the jury would not look at isolated expressions in the article, but at its whole scope and tendency, and they would then see that what at first sight might appear to be strong and unwarrantable expressions were mitigated and softened. He thought some regard, too, ought to be had for the feelings of a man like Mr. Lawson, who had devoted many years in endeavouring to establish a "Bank of London," but who had the mortification of finding the title appropriated by others, and himself deprived of any result from his labours, and left without any compensation. The learned counsel concluded by calling upon the jury to consider whether it was proved that Lawson was the author of the article, and, even if that were proved, whether the article was libellous. (The learned gentleman's address was followed by some applause, which was immediately suppressed.)

Lord Campbell, in summing up the evidence, said the jury were the guardians of private character and of commercial integrity. The charge against the defendants was that they had conspired together by the publication of libels to vilify the character of the directors and to injure the credit of the Bank of London, and it would be for the jury to say whether that charge was made out. If they thought the article was only a fair comment upon a public establishment, they would say it was no libel. In



that case the charge would not be made out, for the publication of the libel was the principal overt act. The question, then, was whether the article was a fair comment on the facts before the person who wrote the article. The bank was established in 1855, and, so far as could be seen, it was originated in good faith, and had been conducted with good faith. A charge had been made in the *Atlas* that the directors had appropriated the funds to their own use, but the *Atlas* had made an apology, and it was shown that the directors had no advances except as honourable commercial men. Then came the article in the *Joint-stock Companies Journal*, which sought to take advantage of the charge which had been retracted, and to reiterate that charge, without offering one particle of evidence in its support. His lordship then read several passages from the article, and said the jury must say whether that was not a libel on the directors of the bank. The question would then be, whether the defendants had not combined together to cause a run upon the bank? There could be no doubt that Cockburn had employed Lawson to write the article to vilify the directors. His lordship then referred to the motives from which the defendants appeared to have acted, the one (Cockburn) being disappointed in his wish to obtain advertisements, and the other (Lawson) in his demand for compensation for the piracy of the title of his bank. Was it not the fair inference from the evidence that, from the grudge which the one had, and the desire of the other to enforce his claim to compensation, they joined together to compose and publish the libel? If the jury thought the article was libellous, and that the defendants had conspired to vilify the directors, and so to injure the credit of the bank, they would say that the defendants were guilty; but if they thought the article was only a fair comment, they would say they were not guilty.

The jury found both the defendants "Guilty."

Lord Campbell then addressed the defendants, and said he had a most painful duty to discharge in passing sentence. The defendants had been tried upon an indictment framed upon well known precedents, and they had been found guilty upon overwhelming evidence. Having conceived an enmity against the bank they had entered into a scheme to write it down, and they had published an article which they thought would undermine its credit and prove its ruin. It was of great importance that where there was misconduct in the managers of a bank it should be exposed, and if the defendants had acted merely with that view they would have been excused; but they had published the article with a view to cause a run upon the bank. That was a grave offence, and for that offence the sentence was that the defendants be imprisoned in the gaol of Newgate for the term of one year.

The defendants were then removed in custody.

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#### LONDON AND EASTERN BANKING COMPANY.

A MEETING of the shareholders of the London and Eastern Bank took place on the 20th of July, Captain Bevan presiding, when a report and statement of accounts were submitted for consideration. The proceedings of the directors having been somewhat analagous to those of the Royal British Bank, anxiety is evinced to ascertain what course will be pursued with respect to them. A letter addressed to the chairman from Captain Tucker, in which he recommended that every exertion should be used to bring them to justice, appeared to meet approval, and it was stated that a subscription



would cheerfully be raised to carry out the requisite measures. With regard to the affairs of the bank, it will be noticed that the liquidation is making steady progress, and that the liabilities have been reduced from £340,240 to £282,706. The assets, which, on the 14th of April were estimated at £234,010 are now taken at £169,996. It is found that the deficiency, after absorbing the shareholders' capital, which was placed at £6,020, will be increased to £12,710. This arises, however, not from any miscalculation, but through the loss occasioned by the drawings from the head office upon the Indian establishment when the exchanges were unfavourable. An announcement of this character created serious indignation, as it furnished additional evidence of the reckless steps adopted by the directors and managers to avail themselves of the general resources. The late manager, Mr. Stephens, has, it is alleged, disputed his liability; but it can scarcely be believed, unless legal difficulties interpose, that he will prove successful; for in no case have the directors or officers, who are indebted to the bank, made arrangements for payment; and some questions put respecting Colonel Waugh's estate were not fully entered into, owing to the approaching sale of the Branksea property. The information elicited by Mr. H. Guedalla, and other shareholders, from the chairman, Mr. Peachey, the solicitor, and Mr. J. E. Coleman the accountant, was not of a description to produce satisfaction, and the amount of ultimate sacrifice remains to be ascertained. Every claim made upon the bank has been promptly met, and it is hoped that the final liquidation will encounter no interruption. Subjoined are the report and accounts :—

**REPORT TO THE SHAREHOLDERS OF THE LONDON AND EASTERN BANK,**  
made at the general meeting held on the 20th July, 1857, by the  
committee of liquidation :—

" Since the last report, advice has been received that the managers of the bank in India have, in conformity with the instructions sent them, made over charge of the branches at Bombay and Calcutta to the agents of the Oriental Bank Corporation, by whom the Indian affairs are being wound up as expeditiously as possible.

" It is due to the managers of these branches to state that so far as the committee can ascertain, the Indian business has been conducted prudently, and with due regard to the interests of the shareholders, the only operations resulting in loss being those originated at the head office. This loss has arisen chiefly from heavy drawings in London, on the branches in Calcutta and Bombay, and consequently re-drafts between these branches and on England at disadvantageous exchanges; and by these operations the balance of £42,700, now appearing in the accounts as to be received from India, will be reduced to less than £20,000.

" In pursuance of the arrangement with the Oriental Bank Corporation promissory notes of shareholders on account of unpaid capital, for the sum of £206,150, have been handed to that corporation; who have also received in Calcutta calls or security for the payment of calls amounting to £1,320. A second call of £15 per share has been made payable on the 1st of August next, and steps will be taken to enforce this and the previous call of £15 per share payable on the 24th of April ultimo, against those shareholders who have not given their promissory notes for unpaid capital.

" The statement of accounts now laid before the meeting, embraces the result of the liquidation from the 11th April, the date of the last account to the 11th instant, and shows that the liabilities of the bank have been reduced from £340,240 to 282,706.



"In addition to the assets actually realised and applied in reduction of liabilities as above, considerable progress has been made in arranging and bringing into a definite shape many outstandings of a complicated and doubtful character.

"When the last report was made the estimated deficiency was £8,320; and by the present statement the deficiency appears to be £12,710. This arises, not from too high a value having been formerly made of the assets, but from loss on Indian exchange, as previously explained.

"It is hoped that the out-turn of the general assets will fully bear out the present estimate; but the final result of the liquidation must entirely depend on the realisation of the securities held for Colonel Waugh's debt."

*Statement of the Affairs of the London and Eastern Banking Incorporation, 11th of April and 11th July, 1857.*

LIABILITIES.				11th of April.	11th of July.
To creditors on drawing accounts	...	...	...	£8,469 19 8	£1,629 10 8
Ditto on deposit	...	...	...	49,641 19 10	35,796 0 0
Ditto bills payable	...	...	...	167,233 10 6	164,497 9 2
				225,345 10 0	201,922 19 10
Bombay branch	...	...	...	43,120 16 9	
Calcutta branch	...	...	...	28,581 9 11	
United Service Branch	...	...	...	2,732 5 8	515 8 4
Delhi Bank	...	...	...	11,843 0 3	19,755 17 9
Agra Savings Bank	...	...	...	240 7 4	
Oriental	...	...	...	28,377 12 3	60,475 14 0
Liabilities	...	...	...	340,240 2 2	282,669 19 11

ASSETS.				April 11th Estimated Value.	July 11th.	Estimated Value.
				£	£ s. d.	£ s. d.
By cash balance	...	...	...	2,740	87 10 3	87 10 3
" bills received	...	...	...	58,950	64,305 11 6	64,305 11 6
" bills discounted	...	...	...	29,820	...	...
Drs. on advances and drawing accounts	...	...	...	115,000	102,066 19 9	53,000 0 0
Past-due bills and past-due loans	...	...	...	12,500	31,427 0 7	20,000 0 0
Banking-houses and furniture	...	...	...	15,000	15,000 0 0	15,000 0 0
Calcutta branch	...	...	...	...	42,791 1 2	17,500 0 0
Simla Bank	...	...	...	...	103 5 2	103 5 2
Assets	...	...	...	234,010	255,781 8 4	169,996 6 11
Colonel Waugh	...	...	...	100,000	100,000 0 0	100,000 0 0
				334,010	355,781 8 4	269,996 6 11



## EXPORT OF BULLION FROM LONDON.

THE annexed statement of the export of bullion from London to the under-mentioned countries during the half-year ending the 30th of June, has been published by Messrs. Haggard and Pixley, the bullion brokers. The noticeable feature is the large increase in the shipments of gold and silver to India and China. These figures form an important index to the late specie movements.

1857.	Gold.	Silver.	Total.	Total of Corresponding period last Year.
	£	£	£	£
India, including Ceylon -	50,970	5,588,940	5,639,910	4,018,010
China and the Straits - -	36,920	3,129,280	3,166,180	1,168,500
Cape of Good Hope and Mauritius - - - - -	246,600	15,900	262,500	22,000
Australia, Tasmania, and New Zealand - - - -	—	—	—	—
Hamburgh, Belgium, and Rotterdam - - - - -	331,700	79,800	411,500	467,870
* France, via Boulogne, Calais and Dunkirk - -	1,958,500*	26,500*	1,985,000	4,490
Peninsular and Mediterranean, with Constantinople and the Crimea -	389,300	14,000	403,300	378,690
West Indies - - - - -	424,500	9,000	433,500	111,700
Brazils - - - - -	558,600	21,000	579,600	312,830
Africa - - - - -	—	24,900	24,900	5,650
Total - -	3,997,090	8,909,300	12,906,390	6,489,740

\* The above total is irrespective of the large sums sent by way of Folkestone and Dover to France, during the same period, and which, according to the Customs return, amount to - - - - -

	Gold,	Silver.	Total.
- - - - -	£4,254,600	£53,100	£4,307,700
Ditto, corresponding period last year - - - - -	2,570,000	901,600	3,471,600



### THE EXPORT OF SILVER TO THE EAST.

THERE are abundant grounds for believing that the export of silver to the East will continue to engage the earnest attention of statesmen and financiers. The subject has become one of the "great facts" of the day. However much its importance may at times appear to decline, it ever and anon, by some new combination of events, arrests inquiry, convincingly showing that prophecy upon monetary and commercial affairs has not yet attained perfection. The internal convulsions of China, the failure of the silk crop in Europe, the war between Russia and the Western powers, and the conflict the celestials are now waging with the "outer barbarians," each in its turn has affected the drain of silver, changed the demand for articles from one country to another, encouraged the hoarding of precious metals, and limited the use of paper currency, which so easily adjusts the extensive operations of trade and economises the use of coin. As soon, indeed, as one series of events is closed another series commences, and little relief is experienced from the embarrassment occasioned. Nor is this to be wondered at when the question is viewed aright.

In England, as in Europe at large, there is nearly everywhere repose, so far as the regularity of action arising out of fixed principles is concerned. We have the ordinary law of demand and supply—can judge of the course of trade—speculate pretty closely on the wants of population;—while such is the extent and value of daily intelligence from the Continent, that there need be no great ignorance on the part of the mercantile community. But of India, with its territory stretching from Cape Comorin to the Himalaya Mountains, little is yet known of its productive powers. They have, in fact, to be developed and tested by the iron road now only beginning to intersect the great continent. Shortly, no doubt, a new life will be everywhere visible; products which have hitherto been useless on account of the difficulty of transit will gradually be found marketable; a position will be given to articles which formerly were valueless; activity, intelligence, and enterprise, will assuredly mark those races which have for ages been slumbering in Eastern indulgences, and wasting whatever energy they possessed in wretched distinctions and religious prejudices. Then, as regards China, now absorbing immense quantities of silver, what is known of her extraordinary population, her internal trade, the reasons which actuate her to isolate herself, and to have such enduring powers of self-maintenance?

It is true, silver has been transmitted to the East to an extraordinary amount. In 1852 the export was £3,255,000; In 1853 it was £6,682,000; in 1854, £5,805,000; in 1855, £9,125,000; in 1856, £14,587,000, and yet notwithstanding these immense sums, the shipments, so far as known for the present year, are going forward upon a scale of still greater magnitude. It is forgotten, however, by those who believe the drain to have subsided, that the progress of these countries is not only maintained upon a very expanded scale, but that the benefits of this progress, the wealth diffused, the higher wants which are created, the better habits inculcated, are spread over an



immense population. India, with its 180,000,000, and China with more than 300,000,000 souls, give an area which few can thoroughly grasp in any calculations as to the necessary quantities of precious metals; and the probability is that the closer attention paid to the figures, the proportion to be supplied will greatly exceed that which has already been exported. It will not fail to be noticed, moreover, that the demand has now been continuous for a long course of years, and would therefore seem to indicate that so far from any glut being likely, or the markets even saturated, there is a steady stream of the precious metals at all times necessary to conduct trade, to feed the growing wants of such an immense population, and to enable them to emerge from the obscurity of position which accompanies an unproductive nation to that degree of internal wealth which must be their destiny with extending exports and new powers of activity being constantly developed.

### THE ESTATE OF MESSRS. GOTCH AND SONS.

THE creditors of Messrs. Gotch and Sons, the bankers, of Kettering, have agreed to wind-up that estate by inspection. By this course it is thought a dividend of 10s. in the pound will be realised. The debts and liabilities of the firm are stated to be £132,026, and the assets £82,003. As in many previous instances this suspension has arisen through advances made without adequate securities. The following are the statement and report prepared by the accountants Messrs. Harding and Pullein:—

<i>Dr. Statement of Affairs, June 9th, 1857.</i>				
To sundry creditors unsecured	...	...	...	£132,026 9 6
Sundry creditors holding security	...	£4,600	0 0	
Estimated value of securities held as				
per contra	...	...	7,580 0 0	
Surplus as per contra	...	...	£2,980 0 0	
Amount belonging to Kettering Savings' Bank, payable in full and deducted from the assets, as per contra	...	£427	18 4	
Liabilities on bills re-discounted, but which are expected to be paid by the acceptors	...	...	£8,773 4 8	
				£132,026 9 6
<i>Cr.</i>				
By cash in hand	...	...	£880 0 0	
Bills receivable, considered good	...	1,548	6 6	
Less	...	...	2,428 7 1	
Amount immediately payable to Kettering Savings' Bank, as per contra.		427	18 4	
Carried forward	...	£2,000	8 9	



	Brought forward	...	£2,000	8	9
Sundry debtors—					
Considered good	...	...	...	23,848	5 6
" doubtful	...	...	72,174	11	0
Estimated to realise 5s. in the pound	...	...		18,043	12 9
Considered bad	...	...	21,010	5	9
Property held by creditors—					
" Estimated to realise	...	£7,580	0	0	
Less					
Amount of charges thereon	...	4,600	0	0	
Surplus	...	...	...	2,980	0 0
Property unencumbered	...	3,120	0	0	
" Stock at tan works and factory	...	20,960	17	5	
" Goods consigned to Australia, &c.	...	3,000	0	0	
" Stock and plant at Rowell Brewery	...	1,500	0	0	
Estimated surplus from the separate estate of Mr. J. D. Gotch	...	3,375	0	0	
Ditto of Mr. T. H. Gotch	...	3,175	0	0	
				6,550	0 0
				£82,003	4 5

12s. 6d. in the pound will require £82,516 10s. 11d.

The accountants' report, of which the following is a copy, was presented by Mr. Harding:—

To the Committee of Creditors of Messrs. J. D. and T. H. Gotch.

Gentlemen,—In pursuance of your instructions we have prepared a statement, showing the present position of the affairs of Messrs. J. D. and T. H. Gotch, of Kettering, by which it will be found that there is now due, in respect of deposits and balances upon drawing accounts with the bank, £110,306 19s. 2d. The amount of notes in circulation on the 8th instant, at the time of the suspension, was £9,805; of these there have been since tendered by debtors the sum of £2,215, which they claim to be entitled to set off against the balances due from them; upon these being allowed, the amount of notes out will be reduced to £7,590. The amount due to creditors at the tan works, manufactory and brewery, is £14,129 10s. 4d., making a total of £132,026 9s. 6d. due to unsecured creditors. The claims of creditors of the firm who are fully secured amount to £4,600, and there is a sum of £427 18s. 4d., moneys belonging to the Kettering Savings' Bank, which, under the Savings' Bank Act (3rd William IV.), must be paid in full forthwith; that amount has, therefore, been deducted from the assets. The firm are also liable as the endorsees of bills and promissory notes not yet due, and which amount to £8,773 4s. 8d.; but it is not expected that any claim will arise from these bills against the estate. The assets consist of cash in hand and bills receivable, amounting together to £2,428 7s. 1d., but from this sum we have deducted the amount payable to the trustees of the savings' bank, leaving a balance of £2,000 8s. 9d.



There is due from sundry debtors (considered good) in respect of overdrawn accounts at the bank, and overdue bills and promissory notes, the sum of £17,531 17s. 11d., and from debtors (also considered good) for goods supplied from the tan works and manufactory, £5,281 7s. 7d. The books of the brewery at Rowell being considerably in arrear, we have been compelled to estimate the good accounts due to that business at about £2,500, and we have no reason to suppose that, when the accounts have been completed, the debts will fall short of the estimate. The total amount of debts considered good is £23,848 5s. 6d. The doubtful debts amount to the sum of £72,174 11s.; and after a careful inquiry into the circumstances of the debtors, we have every reason to believe that about £18,000 may be realised. Although each debt was considered separately, it will be seen that an average of 5s. in the pound will give a somewhat similar result. The bad debts amount to £21,010 5s. 9d. The property held by secured creditors is estimated to realise £7,580, and after payment of the mortgages, &c., thereon, is expected to leave a surplus of £2,980. The other property belonging to the firm consists of plant and stock in trade, at the tan works, factory, and brewery, and freehold and copyhold property unencumbered; these together are estimated to realise the sum of £25,580 17s. 5d., and there are goods consigned to Australia, Lima, and Natal, which are estimated to realise £3,000. In addition, the sum of £3,375 is expected to arise from the separate estate of Mr. J. D. Gotch; and the sum of £3,175 is expected to arise from the separate estate of Mr. T. H. Gotch, making a total of £82,003 4s. 5d. for assets available for distribution, which, if carefully realised, will be equivalent to 12s. 5d. in the pound. The separate estates comprise the freehold and copyhold farm land in Rothwell and Kettering, and some other copyholds, together, of the estimated value of £18,750; but there are mortgages, &c., thereon to the amount of £10,000, and the balance is subject to the payment of £3,000 to the Rev. F. W. Gotch, and for which he holds a joint and several bond—this bond was given about November, 1852, in pursuance of the terms of the will of the late Mr. Gotch, who bequeathed that amount to his son. The other portion of the separate estates consists of household furniture and effects, &c. The difference between the amount of the liabilities and of the assets will be found to amount to £50,023 5s. 1d., and if to the amount of the bad debts (£21,010 5s. 9d.) be added the difference between the amount of the doubtful debts and the sum now expected to be realised therefrom (£54,130 18s. 3d.), it will be seen that the losses by debtors amount to £75,141 4s., being £25,117 18s. 11d. beyond the present deficiency; this was about the amount appearing in the books as the aggregate capital of the partners in June, 1852. Although the debtors are, as may be expected, very numerous, we find that £46,417 2s. 4d. (almost the amount of the deficiency) is due from two persons only—one a well-known clergyman, who formerly lived near Kettering, the other a farmer and shoe-factor in the neighbourhood, also well known. In the case first mentioned we find that at the decease of the late Mr. Gotch, in May, 1852, there was due the sum of £2,852 11s. 6d. About December, 1852, he left this neighbourhood for a foreign country, where he has since resided, and shortly after his arrival there he appears to have engaged in patents, mines, and other speculative undertakings. He at first applied for small advances, holding out promises of immediate repayment, and that the old balance due from him would speedily be liquidated. These drafts continued to increase, without a single repayment, and although no draft exceeded £200 in amount, yet the account has increased by this course to its present magnitude (£24,892 6s. 2d.) The only reason apparent for the continued pay-



ments appears to be the fear that any refusal would involve the loss of the whole debt, and the belief, arising from the individual's representations, that the enterprises in which he appeared to be engaged would enable him to repay every shilling in a very short time. We have perused the letters received from the person in question since January, 1853, and find that on many occasions he stated that his property was far more than sufficient to pay Messrs. Gotch; but it does not appear that on any occasion those statements were tested by investigation, or that any steps were taken to compel repayment of the amount drawn. Whether or not any considerable portion of the debt will be recovered, is still a matter of uncertainty. The security held will not produce more than £1,000. In the second case, the sum of £14,902 3s. 10d. was due at the death of Mr. Gotch, and must then have been very doubtful, yet the account has since been allowed to increase to £21,524 16s. 2d., the amount now due. From this debt but a small dividend is anticipated. The assets, as before mentioned, show nearly 12s. 6d. in the pound, and that amount will be increased in the event of either of these large debts producing more than 2s. in the pound. We have carefully examined into the recent transactions of the firm, with the view of ascertaining whether or not any preferential payments have been made, and we have the satisfaction of being able to state that nothing of the kind has taken place: indeed we have every reason to believe that the suspension of payment was not contemplated many hours before it actually took place, and was not determined upon until after 4 o'clock on the Monday afternoon (the 8th instant).

Upon investigating the position of the affairs of the firm in May, 1852, the date of the death of the late Mr. Gotch, we find that a considerable portion of the debts now considered bad and doubtful were then standing in the books, yet we have every reason to suppose that, had the operations of the firm been then closed and wound up, the estate would have been solvent, and that the real estate of the late Mr. Gotch would have remained available for the trusts of his will. The bequests amounted to £9,000, of which £2,500 only have been paid. The sum of £3,000 is still payable to the Reverend F. W. Gotch, and for which he holds a bond, as before mentioned. The balance passed upon the death of Mrs. Gotch and Miss Frances Gotch to J. D. Gotch and T. H. Gotch, and has remained in the estate. In conclusion, we think it due to the Messrs. Gotch to say, that all their books and papers have been placed at our disposal, that every facility has been afforded by them for the most searching investigation, and that they have most readily given the information we desired, in fact that they have submitted themselves and their affairs to their creditors, at the request of the committee, as completely as if an adjudication in Bankruptcy had taken place.

We are, gentlemen,  
Your obedient servants,  
HARDING AND PULLEIN.

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#### THE ESTATE OF MESSRS. EVANS, HOARE AND CO.

A NUMEROUS meeting of the creditors of Messrs. Evans, Hoare and Co., lately engaged in the Australian trade, who suspended business on the 9th of June, was held on the 3rd of July, Captain Denny in the chair, when the following statement, prepared by Messrs. Turquand and Young, the accountants, was exhibited. Mr. J. Linklater represented the firm; and Mr. E. Lawrance attended on behalf of Mr. Hoare:—



<i>Dr.</i>				<i>Statement of Affairs, 10th June, 1857.</i>			
To creditors unsecured	...	...	...	...	£59,252	2	4
Creditors partially secured	...	...	...	...	19,641	3	2
Creditors fully secured—Claims	...	...	...	£77,665	11	10	
Invoice value of security	...	...	...	107,073	1	10	
Per contra	...	...	...	£29,407	10	0	
Liabilities on bills—Payable	...	...	...	£13,954	16	5	
Of which may prove against the estate	...	...	...	...	3,500	0	0
Liabilities on bills—Receivable	...	...	...	72,124	16	3	
Considered good.							
Liabilities to creditors of the firm of E. D. Moore and Co., estimated at...				500	0	0	
but which will be paid by that firm.							
Liabilities in respect of lease of premises at Southgate-street, held on lease for — years, annual rent	...	...	...	350	0	0	
					£82,393	5	6
<i>Cr.</i>							
By debtors	...	...	...	...	£2,572	1	2
Good	...	...	...	£822	1	2	
Doubtful and bad	£22,209	5	11				
Estimated to realise	...	...	...	1,750	0	0	
				£2,572	1	2	
By cash	...	...	...	...	84	17	2
Stock of wines, &c., as per statement	...	...	...	...	1,740	2	11
Stock in the hands of creditor	...	...	...	...			
Estimated surplus, as per statement	...	...	...	...	146	4	9
Consignments unencumbered at cost, as per statement	...	...	...	...	1,153	12	1
Office furniture and fittings, valued at	...	...	...	...	75	0	0
Surplus securities, per contra, being consignments at invoice price	...	...	...	...	29,407	10	0
Ditto at cost price	...	...	...	£			
Value of our interest in the firm of E. D. Moore and Co., estimated, if sold, to realise	...	...	...	...	1,500	0	0
					£36,679	8	1
Deduct (to be paid in full)—							
Dock charges	...	...	...	£368	18	7	
Salaries, &c.	...	...	...	245	13	11	
					614	12	6
					£36,064	15	7

The creditors, at the commencement of the proceedings, complained of the delay in preparing the accounts, particularly as it was well ascertained that the assets are all of a doubtful nature. When the figures were explained their dissatisfaction increased, the prospects of the result of the realisation of the consignments abroad being considered discouraging. It was intimated that Messrs. Evans, Hoare and Co. are not in a position to make any proposal for an arrangement, and consequently their only course is to submit to whatever steps are dictated. Great sympathy was expressed



for Mr. Hoare, who took into the firm £5,000, besides a credit for £6,000, which has been absorbed—his family likewise being claimants for goods supplied to the extent of £18,000. Mr. Lawrance placed these facts before the meeting on behalf of Mr. Hoare, and stated that his friends would have endeavoured to assist the firm in making a composition, but for the disastrous position in which the assets were placed. Some discussion occurred with regard to the probable returns from Australia, whither the principal consignments, beer, spirits, &c., have been sent, and a great difference of opinion prevailed. Several creditors alleged that goods had been obtained from them a few weeks before the suspension, and when it was evident the house would be compelled to pull up. In answer to questions, it was stated that the deficiency under the old estate of Mr. Evans now proved to be £16,000, but that he estimated his capital in December, 1855, taking the value of consignments, &c., into consideration, at £22,000. On an appeal to Mr. Linklater for his views, he said the only suggestion that could be made would be in favour of a liquidation by inspection; but the great majority of the creditors dissented, urging that the estate should be administered in bankruptcy. A resolution to this effect was then passed, and the necessary measures for facilitating the proceedings will at once be adopted. A petition in bankruptcy has since been opened.

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## **Banking and Commercial Law.**

### **THE BILL TO PUNISH FRAUDULENT TRUSTEES.**

WE are able to present our readers with this important measure as it has passed the Commons, and as it will probably, with very slight modification, pass the Lords. It is not to be regretted that this measure has been fully discussed, for probably there is no other subject on which such telling and unanswerable arguments have been brought to bear, but which yet, if fully carried out, would have annihilated the race of trustees by rendering it impossible for any prudent man to accept an office exposing him to such risks, and supplying no countervailing motive to tempt him to undertake it.

Every objection is at once silenced by the startling question, What! will you punish larceny, and yet overlook it when aggravated by a breach of trust? The only answer that can be made to this question is to admit its full force, and to ask how will you get people to act as trustees by which they make nothing, and may be universally exposed to a prosecution in every case in which the trust property is not forthcoming? This remark applies, however, only to one class of trustees. The present bill embraces several.

1st. The trustee of any property for the benefit, either wholly or partially, of some other person, or for any public or charitable purpose.

2nd. Bankers, merchants, brokers, attorneys, or agents.

3rd. Persons intrusted with a power of attorney.



4th. A bailee of any property.

5th. A director, member, or public officer of any body corporate or public company.

The first class are almost invariably unpaid. It is only when special provision is made for their remuneration that they can receive anything. They must not even make a profit by doing the professional or other work of the trust.

The second are almost always either paid or derive a profit.

The third and fourth may be either paid or unpaid, according to circumstances.

The fifth are almost invariably paid or remunerated.

As regards those cases in which there is pay, profit, or remuneration, the proposed alteration of the law may not cause any inconvenience, whilst it secures punishment where punishment is most justly due.

The offences which the bill deals with are the making away with entrusted property with intent to defraud; the omitting by a director, &c., to make proper entries with intent to defraud; the destruction, alteration, mutilation, or falsification, by a director, &c., of any books or papers; and the receiving of any property so fraudulently made away with.

The punishment for any of these offences has, after much discussion, been fixed to be: penal servitude for the term of three years, or such other punishment by imprisonment for not more than two years, with or without hard labour, or by fine, as the Court shall award.

In order to guard against the abuse of this act to malicious purposes, which it seems to us is not unlikely to be the case, the sanction of some judge, or of the Attorney or Solicitor-General is to be obtained before a prosecution can be instituted. We doubt whether this is sufficient for the purpose intended, without giving further facilities than are now possessed for punishing those who institute malicious prosecutions. Still, if these judicial functionaries proceed with due caution, the end may be attained.

The bill, when passed into a law, will cause a great and, we hope, a beneficial change in the administration of trusts and the performance of the duties of certain offices; at the same time much of the benefit to be derived from it will depend on the mode in which it is administered, and one of the consequences we foresee as likely to result from it will be an increased number of applications to courts of equity by trustees for protection.

I. If any person being a trustee of any property for the benefit, either wholly or partially, of some other person, or for any public or charitable purpose, shall, with intent to defraud, convert or appropriate the same or



any part thereof to or for his own use or purposes, or shall, with intent aforesaid, otherwise dispose of or destroy such property or any part thereof, he shall be guilty of a misdemeanor.

II. If any person being a banker, merchant, broker, attorney, or agent, and being possessed as such of the property of any other person, shall, with intent to defraud, sell, negotiate, transfer, pledge, or in any manner convert or appropriate to or for his own use, such property or any part thereof, he shall be guilty of a misdemeanor.

III. If any person intrusted with any power of attorney for the sale or transfer of any property shall fraudulently sell or transfer, or otherwise convert such property, or any part thereof, to his own use or benefit, he shall be guilty of a misdemeanor.

IV. If any person being a bailee of any property shall fraudulently take or convert the same to his own use, or the use of any person other than the owner thereof, he shall be guilty of a misdemeanor.

V. If any person being a director, member, or public officer of any body corporate or public company shall fraudulently take or apply, for his own use, any of the money or other property of such body corporate or public company, he shall be guilty of a misdemeanor.

VI. If any person being a director, public officer, or manager of any body corporate or public company shall as such receive or possess himself of any of the money or other property of such body corporate or public company otherwise than in payment of a just debt or demand, and shall, with intent to defraud, omit to make or to cause or direct to be made a full and true entry thereof in the books and accounts of such body corporate or public company, he shall be guilty of a misdemeanor.

VII. If any director, manager, public officer, or member of any body corporate or public company shall, with intent to defraud, destroy, alter, mutilate, or falsify any of the books, papers, writings, or securities belonging to the body corporate or public company of which he is a director or manager, public officer or member, or make or concur in the making of any false entry, or any material omission in any book of account or other document, he shall be guilty of a misdemeanor.

VIII. If any director, manager, or public officer of any body corporate or public company shall make, circulate, or publish, or concur in making, circulating, or publishing, any written statement or account which he shall know to be false in any material particular, with intent to deceive or defraud any member, shareholder or creditor of such body corporate or public company, or with intent to induce any person to become a shareholder or partner therein, or to intrust or advance any money or property to such body corporate or public company, or to enter into any security for the benefit thereof, he shall be guilty of a misdemeanor.

IX. Every person found guilty of a misdemeanor under this act shall be liable, at the discretion of the court, to be kept in penal servitude for the term of three years, or to suffer such other punishment, by imprisonment for not more than two years with or without hard labour, or by fine, as the court shall award.

X. Nothing in this act contained shall enable or entitle any person to refuse to make a full and complete discovery by answer to any bill in equity, or to answer any question or interrogatory in any civil proceeding in any court of law or equity, or in the courts of bankruptcy or insolvency; but no answer to any such bill, question, or interrogatory shall be admissible in evidence against such person in any proceeding under this act.

XI. Nothing in this act contained, nor any proceeding, conviction, or



judgment to be had or taken thereon against any person under this act, shall prevent, lessen, or impeach any remedy at law or in equity which any party aggrieved by any offence against this act might have had if this act had not been passed; but no conviction of any such offender shall be received in evidence in any action at law or suit in equity against him; and nothing in this act contained shall affect or prejudice any agreement entered into or security given by any trustee, having for its object the restoration or repayment of any trust property misappropriated.

XII. No proceeding or prosecution for any offence included in the first section of this act shall be commenced without the sanction of some judge of one of the superior courts of common law or equity, or of Her Majesty's attorney-general, or, in case that office be vacant, of Her Majesty's solicitor-general; and in order to obtain such sanction an application may be made by affidavit or on oath to any such judge, attorney-general, or solicitor-general, and if it shall thereupon appear to him that there is reasonable and probable cause for such proceedings he shall give his sanction to the prosecution of the party accused: Provided that where any civil proceeding shall have been taken against any person to whom the provisions of the said first section of this act may apply, no person who shall have taken such civil proceeding shall commence any prosecution under this act without the sanction of the court or judge before whom such civil proceeding shall have been had or shall be pending.

XIII. If any person shall receive any chattel, money, or valuable security which shall have been so fraudulently disposed of as to render the party disposing thereof guilty of a misdemeanour under any of the provisions of this act, knowing the same to have been so fraudulently disposed of, he shall be guilty of a misdemeanour, and may be indicted and convicted thereof, whether the party guilty of the principal misdemeanour shall or shall not have been previously convicted, or shall not be amenable in justice, and howsoever convicted, he shall be liable to the same punishment as the person guilty of the principal misdemeanour.

XIV. If upon the trial of any person under this act it shall appear that the offence proved amounts to larceny, he shall not by reason thereof be entitled to be acquitted of a misdemeanour under this act.

XV. In every prosecution for any misdemeanour against this act, the court before which any such offence shall be prosecuted or tried may allow the expenses of the prosecution in all respects as in cases of felony.

XVI. No misdemeanour against this act shall be prosecuted or tried at any court of general or quarter sessions of the peace.

XVII. The word "trustee" shall include the heir and personal representative of any trustee, and also all executors and administrators, liquidators under the Joint-Stock Companies' Act, 1856, and all assignees in bankruptcy and insolvency:

The word "property" shall include every description of real and personal property, goods, raw or other materials, money, debts and legacies, and all deeds and instruments relating to or evidencing the title or right to any property, or giving a right to recover or receive any money or goods; and such word property shall also denote and include not only such real and personal property as may have been the original subject of a trust, but also any real or personal property into which the same may have been converted or exchanged, and the proceeds thereof respectively, and anything acquired by such proceeds.

XVIII. This act shall not extend to Scotland.

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## Legal Miscellany.

*Court of Bankruptcy, Basinghall-street, June 24.—Before Mr. Commissioner HOLROYD.*

### IN RE THE ROYAL BRITISH BANK.

This was a meeting to receive the accounts of the directors of the bank, and pass their last examination. The directors, upon whom has been imposed the obligation of the accounts, duly surrendered, with the exception of Mr. Gillott (who is suffering from illness, and whose absence was excused on that ground), Mr. Alderman Kennedy, and Mr. M'Leod, two of the directors, came into the open court.

Mr. Linklater appeared for the assignees; Mr. Huddleston appeared for Mr. Stapleton; Mr. Marsden for Mr. Alderman Kennedy; Mr. Mason for Mr. Gillott; Mr. Hurst, Mr. Butt, and Mr. Venning for Mr. Esdaile; Mr. Bagley appeared on behalf of Mr. Myers, architect, in support of a proof for £8,855, the consideration of which, after some discussion, was ordered to stand adjourned to the 18th of September.

Mr. Linklater—Your Honour was pleased to appoint to-day as the sitting for the examination of the directors of the bank—in fact, for their passing their last examination. The last sitting took place on the 17th of April, and it was then represented by the accountant, Mr. Coleman, who had been appointed by some of the directors to prepare the balance-sheet (Mr. Cooper having been appointed to prepare the balance-sheet for the three directors who came into office very shortly before the failure of the bank), that it would certainly be filed within ten days or a fortnight from that time. The adjournment was taken for rather more than two months, in order that there might be no further expense incurred, and in order that the whole matter might be concluded, and that the business of the estate, as far as possible, might be brought to a close. We are here on the 24th of June, and there has been no balance-sheet filed—nor, indeed, is it further advanced than it was on the 17th of April. It will, therefore, be for the directors, each of them, to explain to the Court why they have not fulfilled their obligation. The time has been ample; they have all of them had abundant opportunity, as it seems to me, of examining the balance-sheet, and I do not understand why it has not been filed. I find that the learned counsel Mr. Huddleston, whom we have the pleasure of seeing here to-day, represents one gentleman, Mr. Stapleton, and the others, I believe, are represented, and it will be for them to give explanations of their present default.

Mr. Huddleston—Sir, I appear here for Mr. Stapleton, and I think that the Court will feel that Mr. Stapleton ought not to be called upon, in the present state of affairs, to file his balance-sheet. Your Honour is aware that a prosecution is now pending against Mr. Stapleton, and the other gentlemen connected with the Royal British Bank. It is quite obvious that, during these proceedings, it would be extremely unfair and very prejudicial to the interests of these persons, who are charged with an offence of this description, if they are to be called upon to produce accounts to which they would be obliged to swear, and which would, no doubt, at some future period, be used in evidence against them. Now, with reference to the reason why Mr. Stapleton is not in a condition, or has not filed his balance-sheet, you are aware that when an order was made for Mr. Stapleton and the other directors to file their balance-sheets, an arrangement was made that Mr. Stapleton, in conjunction with some other of his



co-directors—Mr. Esdaile, Mr. Alderman Kennedy, Mr. Valiant, and Mr. M'Leod—should prepare a joint balance-sheet. Mr. Gillott, Mr. Hurst, and Mr. Butt were to prepare a separate balance-sheet, but of course it would require the joint attention and assistance of all those gentlemen; and, although the matter was placed—and placed, I believe, at their private expense—in the hands of Mr. Coleman, the balance-sheet requires the greatest care and circumspection before it should be laid before this Court and be sworn to by the parties. It would be exceedingly hazardous for Mr. Stapleton to swear to the balance-sheet, unless he has had an opportunity of personally examining it, and going through it. Now, Mr. Stapleton has not, as I said before, had the assistance of those gentlemen with whom it was originally intended he should make out this account. Circumstances have occurred which have rendered it desirable, on the part of those gentlemen to avail themselves of the facilities of railway travelling, and to be dispersed on the Continent. Mr. Stapleton has been the only person who has remained in England. Under these circumstances, he feels it quite impossible to furnish this Court with a balance-sheet by which, afterwards, he may be bound, and to which the act of Parliament requires him to be sworn. We know perfectly well that the result of filing the accounts upon oath would be that they would be laid before the jury upon a future occasion, for the purpose of dispensing with that evidence upon which alone any person ought to be tried in this country. There may be another reason which I shall venture to put before you, and to ask you that this matter may, in fairness, and justness to this gentleman, be adjourned *sine die*. They have quite sufficient to do at the present moment to prepare themselves for that trial upon which they are about to appear, and I think you would scarcely deem it reasonable to require them to furnish this account to the detriment of their own interests, and for the purpose of being used against them. I am sure that Mr. Linklater, who appears for the prosecution, will be as desirous as you who have felt it to be your duty to put this matter in a train of inquiry, that it shall not appear to the public that there is a desire abroad to press unfairly against these gentlemen, but that they shall be entitled to that which every one is supposed to enjoy in this country—a fair, impartial, and unprejudiced trial; but that cannot be attained if these proceedings are to be precipitated, and I am quite sure you will feel that justice to these gentlemen, who are placed in a most disadvantageous position, can only be effected by granting an adjournment of this last examination *sine die*, or at, all events, until after the trial with which they are threatened, and that justice to the creditors will be satisfied by that course being taken.

Mr. Linklater—Sir, it may, perhaps, be convenient that I should answer one or two of the observations of the learned counsel, and then we shall hear what the other directors have to say for themselves. I do not quite understand from the learned counsel what he means. He at first says he proposes not to file a balance-sheet, because it may possibly prejudice his client upon the approaching trial. Then he enters into a very learned and somewhat lengthy statement for the purpose of convincing the Court that the opportunities which his client has enjoyed, in consequence of the absence of information from others, have not been such as to enable him to file such a balance-sheet as would satisfy the Court. If the learned counsel had said, "I intend to file a balance-sheet," then there would have been no necessity for his observations with reference to the approaching trials. On the other hand, if he says, "I do not intend to file a balance-sheet," then it is utterly unnecessary for any observations with reference to the difficulty with which he considers Mr. Stapleton surrounded. There is not



a criminal bankrupt who has been placed at the bar of the Old Baily from whose lips the very same argument could not have been well addressed to the Court. If the observations of the learned counsel have any weight or force whatever, every bankrupt charged with having defrauded his creditors would, according to the learned counsel, have a right to say to the court, "Withhold the order for filing my balance-sheet; permit me to withhold all information from the assignees and from my creditors, because, forsooth, the criminal law of the country has been put in motion with a view to my punishment.

The Commissioner—I do not think that I ought to trouble you upon that part of the case. I must deal with the law as it is, and as that law requires every bankrupt to file his balance-sheet, Mr. Stapleton must do it.

Mr. Linklater—Then, with reference to the other observations of the learned counsel, he says Mr. Stapleton has not had the assistance of those gentlemen who have found it convenient to seek other climates for the benefit of their health. Mr. Stapleton was under no such necessity, because he has a seat in another place, and is therefore free from that personal molestation to which unfortunately ordinary subjects are liable. If I understand the learned counsel's client to say, "I will file my balance-sheet; I will do all I can to give the most perfect information in my power to the Court," I should be content by assenting on the part of the assignees to any reasonable adjournment with that object. With reference to the use that may be made of the balance-sheet when filed, I am not in a position to state what may be done, but I know that the Attorney-General has at present intimated that where persons are under a charge of crime they should not, after criminal proceedings have been taken, be examined upon the subject of the charge. What may be done with the examinations which have already taken place it is not for me now to refer to; whether the course adopted by the law officers of the Crown with reference to the balance-sheet would be the same as that which holds in the mind of the Attorney-General with reference to future examinations I do not know. This I certainly do know, that the prosecution will be conducted with the utmost fairness; and if any of the directors who are the subject of the prosecution can prove their innocence to the jury, no one would be more glad to receive the evidence of their innocence and the establishment of that fact than those who have instituted these prosecutions. It happens that the trial will not take place until December; and there will be abundant opportunity for the parties to get up their defence. There will, of course, be the same opportunity afforded for the prosecution. If there be any prejudice existing at the present moment in the public mind, there will be abundant time for that to subside, so that these gentlemen may receive such deliverance from the jury as the merits or demerits of their case may deserve. I must ask that Mr. Stapleton be placed in such a position as will enable us to compel him to do that which, in justice to the creditors, who have been wronged by the failure of this bank, he ought to do. With reference to the suggestion made by the learned counsel for adjourning the examination *sine die*, I must protest against that course. I have no objection to some adjournment for a limited period, because I shall then have power to enforce the attendance of Mr. Stapleton here. Mr. Stapleton will absent himself at the peril of being liable to that outlawry which will follow his absence at the time appointed for the last examination. By that time I shall have had the opportunity of considering what course to pursue if Mr. Stapleton should prove contumacious and resist the order of the Court.

The learned Counsel again urged the Court not to require the balance-sheet to be filed.



Mr. Linklater said—The more strenuous the opposition is to filing the accounts the more pressing is the necessity for requiring it.

The Commissioner—It appears to me that I must in this case take the same course that would be taken in any other bankruptcy. I must require the balance-sheet to be filed in the same way as any other bankrupt is required to file his balance-sheet, and any person who does not comply with that order must be subject to the same consequences as any other bankrupt. The Attorney-General will exercise his own discretion as to using any examinations. You are asking this Court to add what the Attorney-General is going to do, and you are assuming that he will make use of the examinations, and therefore that the Court should not allow the balance-sheet to be filed; but I think I am bound to view the case independently of any proceedings elsewhere. If it were another case I am not sure that a more serious application might not be made; because Mr. Stapleton, although he says he has not had the assistance of other gentlemen, does not show that he has endeavoured to satisfy himself as to the truth of the balance-sheet.

Mr. Mason, on the part of Messrs. Gillott, Butt, and Hurst, said that they were most desirous that their balance-sheets should be on the files of the court as soon as it could be prepared. Mr. Cooper, the accountant, whom they had instructed in the matter, was desirous that the balance-sheet should be as complete as possible, and he had been devoting great personal labour, time, and trouble to show the Court what was the state of the bank at the time those gentlemen took their seats as directors.

Mr. Marsden, for Mr. Alderman Kennedy, said he had certainly been on the continent, not for the purpose of avoiding his fair contribution to the bank, but to avoid the creditors. He was a very old man, nearly seventy years of age, his health was shattered, and it was quite impossible for him to go into these figures pending the present prosecution. He should ask, therefore, on behalf of Mr. Alderman Kennedy, for an adjournment until after the trials.

Mr. Venning, on the part of Mr. Esdaile, made a similar application.

Mr. Linklater—Your Honour has already disposed of that objection. With reference to the use that is to be made of the examinations, opinions may differ, and I believe men with very wise heads have come to opposite conclusions upon that subject.

The Commissioner—This point has very recently been discussed before the judges of the superior courts, and all the judges, with the exception of one, are decidedly of opinion that these examinations not only are admissible in evidence, but I think they have also gone further, and said that they do not see any reason why the law should not have that effect.

Mr. Huddleston—No doubt there has been a decision to the effect that these examinations are admissible.

The Commissioner—Two cases have recently occurred upon the subject. I must act upon the law as it is, and as it has been decided.

Mr. Linklater—And it is to be hoped as it will continue.

The Commissioner—I cannot act in anticipation of a law which may or may not take effect. With regard to this not being like an ordinary bankruptcy, there is this to be said—the reason why the directors have not the same protection as an ordinary bankrupt is this, that they are not made bankrupt in their individual capacity, but they are made bankrupt only in their corporate capacity, therefore the Legislature has thought it quite enough to give these directors who are ordered to prepare the balance-sheet, protection in coming to the court, and so on, but not to protect them from arrest for debt—that is, for an individual liability when in their individual capacity they are not made bankrupt.



After some-further discussion,

The Commissioner said—Let the last adjournment stand till the 23rd of September, and let the balance-sheet be filed on the 1st of September; that will give three weeks to the assignees to examine it.

Mr. Linklater—That will be sufficient.

Mr. Linklater then said—I should state as an additional reason for consenting to the adjournment of Mr. Gillott's examination, that he is not one of those included in either of the informations which have been filed by the Attorney-General. There are ten defendants in those informations; and although they were only filed, the first on the 3rd, the second on the 8th, and the third on the 9th of this month, I am happy to say that all the parties who are defendants, with the exception of one, have been secured, and some have been released on bail. There is but one exception, that exception, I am happy to say, is not Mr. Cameron. The telegraphic message which I hold in my hand announces that at this moment Mr. Cameron is leaving the shores of France and will be in custody in England this evening. It is right also to state—for this is the only opportunity one has of making communications to the creditors—that it is utterly incorrect to suppose that one shilling of the expense of these prosecutions will come out of the estate. The pockets of the creditors will not suffer one shilling for anything that is done with regard to the prosecutions. They are prosecutions instituted by the State and conducted, of course, at the expense of the Treasury. Then, sir, I have also to ask your Honour to fix the same day for a further dividend that has been appointed for the last examination of the directors. I was in great hopes that circumstances would have enabled us to realise the outstanding assets so fully, that we might very easily have declared a dividend at the end of the present month, or at all events during July. The delay in the disposal of the Welch mine and other circumstances have rendered it necessary so to postpone the further dividend, because, although the assignees have in hand sufficient to pay another dividend of one shilling in the pound, the expense of declaring the dividend and its payment having regard to the number of creditors, is very considerable; it is, therefore, considered desirable to avoid that expense, and to delay for a period of some weeks the declaration of what may then probably be made—a final dividend. I cannot hold out any prospect of there being more than ten shillings in the pound from the estate, unless some of the outstanding assets should be realised more favourably than is anticipated. That has been the statement made from the beginning by the assignees.

At a later hour in the day information was received that Mr. Cameron had arrived in London, and was endeavouring to procure the required bail. It was also stated that Mr. Esdaile, Mr. Humphrey Brown, Mr. Macleod, Mr. L. Valiant, Mr. F. Valiant, Mr. Owen, Mr. Stapleton, and Mr. Alderman Kennedy, are the directors who have either given bail or remain in custody, and that Mr. Cochrane is the only member of the board whose presence is required.

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*Court of Bankruptcy, Basinghall-street, July 1.—(Before Mr. Commissioner GOULBURN.)*

IN RE SYERS WALKER AND CO.

THE bankrupts were merchants of London and Liverpool. This was an adjourned examination meeting.

Mr. Linklater appeared for the assignees, and Mr. Green for the bankrupts.



Mr. Lawrence, for several creditors, said that they had, since the last meeting, instituted an independent inquiry into the bankrupts' accounts. The report of their accountant contained matter that had reference rather to the certificate meeting than to the state of the bankrupts' accounts. They were willing, therefore, that the bankrupts should pass. He must object to a claim of £301 upon the estate by the bankrupts for the preparation of their accounts. In the case of merchants carrying on an extensive business, it was clearly their duty to keep their accounts fully and accurately. This had not been done; hence the necessity for these charges. In anticipation of their stopping, the bankrupts had drawn out, a few days preceding it, upwards of £900 from their estate. No part of this sum had been drawn by Mr. Walker. It was due to him to state that the drawings of the partners in two years had been £9,000. Common honesty required that every merchant should keep proper books. Here were three men of mature age and experience, carrying on most extensive transactions, yet they had failed in one of the most necessary duties of their position. They had had for a period an allowance of £15 per week. Mr. Commissioner Holroyd had held that a case of this character was not one in which an allowance ought to be granted for accounts. There might be reasons for granting an allowance to small traders and illiterate persons, but this was not one of those cases.

In reply to a question, the Commissioner was informed that the debts proved against the estate were £173,000, and that a dividend of 1s. 3d. had been paid. There were consignments from which further assets might come; but there was also a Chancery suit, and the prospect of any further dividend was remote.

His Honour said that, on their stoppage, the bankrupts had held out to their creditors a vision of an enormous dividend. Their representations were now shown to have been most exaggerated. Creditors to the amount of £173,000 would receive a dividend of 1s. 3d. in the pound. Notwithstanding this state of things, the bankrupts asked for £300 for the preparation of their accounts. This rendered it necessary to ask, "Are the bankrupts ignorant and illiterate men?" Quite the contrary. They were held up as persons above the ordinary rank of traders. Their property was not to be treated as the property of ordinary merchants. Their affairs must be wound up only by private arrangement. Upon his (the Commissioner's) adjourning their case into open court, they appealed against his judgment. The judgment of this Court being affirmed, they were very indignant, but to bankruptcy their case came. Before the bankruptcy, however, thus took place, it appeared that two of the members of the firm had helped themselves to £975. This, it should be observed, was only a day or two before the bankruptcy. Having taken this £975, it was quite preposterous that they should make the present application. For a time, they had had an allowance of £5 per week each. They had subsequently received £3 per week each. This allowance was rather larger than the dividend they would pay to their creditors. The bankrupts, however, were not it appeared, yet satisfied. They wanted £300, in addition to the £975, and the allowance of £15 per week, for a period, and of £9 per week up to the present time. Having been at length allowed to pass their examination, more by the favour of their creditors than from the state of their accounts, this application was made. He saw no cause for it and he refused it.

The bankrupts then passed



*Court of Bankruptcy Basinghall-street, June 29th.—(Before Mr. Commissioner FONBLANQUE.)*

IN RE HUGH INNES CAMERON.

HUGH INNES CAMERON was the manager of the Royal British Bank, He was also the proprietor of a sheepwalk in Scotland. Having been adjudicated a bankrupt as a dealer in sheep, he now surrendered to his bankruptcy.

*Court of Bankruptcy, Tuesday, July 7.—(Before Mr. Commissioner GOULBURN.)*

IN RE C. J. MARE.

THE bankrupt was a shipbuilder, of Blackwall. This was a meeting convened to take into consideration the following proposition :—

"57, Coleman-street, London, June 3.

"RE C. J. MARE.

"Gentlemen,—We beg to acquaint you that at the meeting of creditors held here yesterday pursuant to notice, Mr. Quilter explained the result of the investigation made by him into the affairs of the estate, and submitted an offer which had been obtained from Mr. Rolt to pay to the creditors a composition of 4s. in the pound, upon condition of the fiat being annulled. The matter was fully discussed, and it appearing very problematical whether the estate would ultimately yield that rate of dividend if the bankruptcy proceedings were continued, and if all the various points raised were successfully litigated on behalf of the creditors, the meeting came to the conclusion that the best course to adopt was to accept Mr. Rolt's proposal; and, on the motion of Mr. Murray Marshall, a large creditor, the meeting unanimously passed the following resolution :—

"That the terms now offered of 4s. in the pound, payable upon the bankruptcy being annulled, be accepted."

"The meeting was attended by creditors whose debts amounted to considerably more than £100,000.

"Should you concur with the meeting in the expediency of adopting this resolution, we shall be obliged by your signing and returning to us the inclosed note, and that at your earliest convenience, it being of importance that the decision of all the creditors be ascertained with as little delay as possible.

"We remain, &c.,

"QUILTER, BALL AND Co.

"P.S.—The dividend of 1s. 6d. in the pound recently declared will, as matter of convenience, be paid in due course by the official assignee, and will be in part of the proposed 4s."

Mr. Linklater, for the bankrupt, said nine-tenths of the creditors had agreed to the proposition, and, therefore, under the 250th section of the statute he had to ask the Court to appoint a second sitting to carry out the arrangement.

Mr. Lawrence, for the assignees, said the law did not require in a case like the present any other notice to creditors than through the *London Gazette*. To show the absurdity of merely advertising notices in the *Gazette* he might state, that he represented the assignees, and that it was only accidentally that he had heard of the present meeting. The notices



in the *Gazette* were never seen except when they were copied into the newspapers.

Mr. Waller, for creditors, said this was the third time they had been taken by surprise. The case belonged to the court of Mr. Commissioner Holroyd, who was absent on his vacation. He was sure that his Honour would not act upon it.

His Honour remarked upon the meeting having been convened immediately upon Mr. Commissioner Holroyd's departure, and declined to appoint a second meeting.

*House of Lords, July 9.*—(Present—The LORD CHANCELLOR, LORD BROUGHAM, Lord ST. LEONARDS and Lord WENSLEYDALE).

O'FLAHERTY AND OTHERS V. M'DOWELL AND OTHERS.

THEIR Lordships sat this morning for the purpose of giving judgment in this case.

The Lord Chancellor, in delivering his opinion, said, this was an appeal against a decree of the Lord Chancellor in Ireland, dismissing the petition of the appellants filed by them against the co-partners in the Tipperary Joint Stock Bank, which had stopped payment within the meaning of the 33rd of George II, cap. 14. The petition stated that at the time of such stoppage the bank was indebted to the appellants and other creditors to the amount of £430,000, and that the assets only amounted to £50,000. It then went on to state that proceedings had been taken under the Joint-Stock Companies' Winding-up Acts, in which the appellants had no power to interfere. It then prayed that the joint and separate real and personal estates of the shareholders might be placed in the hands of trustees for the benefit of the creditors of the bank, in accordance with the 33rd of George II, c. 14. By the eighth section of that act it was enacted—

"That from and immediately after the time that any banker shall abscond, conceal himself from his creditors, or stop payment or die, all his real estates, whether for lives, in fee simple or fee tail, and all the personal estates, credits and effects whatsoever, either at law or equity, of which such banker shall be seised, possessed of, or entitled unto at the time of his death, or stopping payment, or absconding, or concealing himself from his creditors, shall be liable and subject to the payment of all and every his debts, of what nature and kind soever the same be, without any regard to priority of preference in point of payment, other than and except such debts and incumbrances as shall be secured by deeds or conveyances registered according to the provisions of this act."

The Lord Chancellor of Ireland, by his decree, had dismissed the petition on the ground that the 33rd of George II. did not apply to joint-stock banks established under the provisions of the 6th of George IV., cap. 42. He (the Lord Chancellor) was of opinion that that decree was right, as it appeared to him that the provisions of the former statute were incompatible with those of the latter. It was clear that the former statute referred to the individual banker, and not to joint-stock companies formed for the purpose of carrying on banks. If, each time one of the shareholders in the bank died, the affairs of the bank were to be wound up and the whole of the property of the other shareholders was to be placed in the hands of trustees until all claims against the bank were satisfied, no joint-stock bank could be carried on, and thus the intention of the 6th George IV. to encourage the formation of joint-stock banks in Ireland would be defeated. It was not contended that an affirmative statute, giving additional powers,



would repeal the former enactment; but where the provisions of the former were incompatible with those of the latter, effect must be given to the subsequent statute, and such portions of the first would be repealed. Another objection, in his mind, was, that the 6th George IV. had enacted that all joint-stock banks should appoint a public officer, who should sue and be sued in their name, and that upon judgment against such public officer, execution should issue against the individual shareholders. That was clearly incompatible with the provision of the 33rd George II., which vested all the bankers real and personal estate in trustees, for execution could not issue against a man who had been deprived of all his property. There were a great many other inconsistencies which he did not think it necessary to pursue, but after a careful consideration he had come to the conclusion that the provisions of the 6th George IV. were inconsistent with those of the 33rd George II., and he was therefore of opinion that the 8th section of the 33rd George II. did not apply to joint-stock banking companies established under the 6th George IV., cap. 42. Under these circumstances he considered the decision arrived at by the Lord Chancellor of Ireland to be correct, and the appeal must be dismissed without costs.

Lord Brougham concurred in the opinion expressed by his noble and learned friend, and complimented the learned counsel on either side upon the ability they had displayed in arguing the case.

Lord St. Leonards gave a history of the banking acts in Ireland, for the purpose of showing the changes that had taken place in this branch of the law, and said that he entirely agreed in the opinion given by the Lord Chancellor, that the decree pronounced by the court below was correct. In consideration of the great apparent difficulties and doubts in the case, which he trusted were now finally settled by considering the 6th of George IV. as a new code of laws relating to Irish joint-stock banks, he should advise their Lordships to dismiss the appeal without costs.

Appeal dismissed without costs.

Mr. Rolt applied on behalf of Mr. Hone, one of the respondents, for his costs. He had been brought before their Lordships' House upon a different question to that which had been decided by their Lordships. He had ceased to be a shareholder in the bank for some years, and he had been sought to be made liable upon the ground that he had not properly transferred his shares.

The Lord Chancellor said he should make no order.

The Attorney-General applied on behalf of the official manager, that his costs should be paid,

The Lord Chancellor said that that would be for the decision of the Court below. He was, no doubt, entitled to his costs.

## **Reports of Joint-Stock Banks.**

### **COLONIAL BANK,**

THE thirty-ninth half-yearly general meeting of the Colonial Bank was held July 8, at the London Tavern, Mr. Charles Marryat in the chair.

The secretary read the following report and statement of accounts:—

"The directors now lay before the proprietors, in accordance with the provisions of the charter, the usual statement of the debts and assets of the



corporation on the 31st of December, 1856, and of the profit made during the half-year ending at that period, viz. :—

DEBTS.							
Circulation	...	...	...	...	...	£237,567	9 2
Deposits and other liabilities	...	...	...	...	...	1,154,560	5 11
Paid-up capital	...	...	...	...	...	500,000	0 0
Profit	...	...	...	...	...	28,141	7 4
						<u>£1,920,369</u>	<u>2 5</u>

ASSETS.							
Specie	...	...	...	...	...	£242,389	10 8
Due to the bank in the colonies, on bills discounted and purchased, including those past due	...	...	...	...	...	853,935	0 6
Due to the bank in the colonies, on current accounts	...	...	...	...	...	18,667	4 6
Due to the bank in London, on bills remitted, cash at bankers', &c.	...	...	...	...	...	774,809	11 9
Bank premises and furniture, in London and the colonies	...	...	...	...	...	6,247	10 0
Balance of bad debt	...	...	...	...	...	23,220	5 0
						<u>£1,920,269</u>	<u>2 5</u>

"It will be observed that in the above statement the change alluded to in the last report has been carried into effect, and now shows the balance of bad debts instead of the fund to meet them.

"As the accounts of the half-year just ended, so far as they have been received from the branches, fully warrant a confident expectation that its profit will equal the satisfactory amount reported above, and will therefore be sufficient, not only to extinguish the balance of bad debts which will remain after the deduction of undivided profits, to be met as hereinafter stated, but also to lay the foundation of a reserved fund, the directors feel themselves justified in proposing an increased dividend, and in recommending that out of the profits of the half-year ending December 31st, which, after providing for income-tax, and for current doubtful transactions, amount, as per above statement to ... .. £28,141 7 4

A dividend be made of 3 per cent., being at the rate of 6 per cent. per annum on the paid-up capital of the corporation, which will require ... .. 15,000 0 0

£13,141 7 4

to be deducted from the balance of bad debts, which will reduce it to £10,071 7s. 4d."

The chairman, in moving that the report and statement of accounts be adopted, congratulated the meeting on the extinction of the once heavy amount of bad debts. There still remained, indeed, a sum of some £10,000, but it was to be observed that the accounts were made up only to the 31st of December, and he was happy to say that during the five months which had since elapsed, their profits had been more than sufficient to cover the amount. He was also glad to inform the proprietors that the profits of this half-year had been such as to allow the officers of the establishment to participate in their prosperity (applause), and the directors had given them a gratuity of 10 per cent. on their salaries. Three gentlemen had had a very arduous time of it, and had been placed in situations of great responsibility.



Under the circumstances, it was thought right to make this acknowledgment of their salaries. He concluded by moving that the report and accounts be adopted.

This having been done, a dividend was declared in conformity with the recommendation contained in the report.

Mr. William Burnley Hume was elected a director in the room of Mr. Stewart, deceased.

### CITY BANK.

THE third ordinary general meeting of this company was held on the 14th of July, at the London Tavern; Alderman Sir Robert Walter Carden, M.P., in the chair.

The advertisement convening the meeting having been read, and the seal of the company attached to the register of shareholders and transfers, the secretary proceeded to read the following report:—Since the directors had the pleasure of making their last report they have considered it advisable, from the steady increase of the business of the bank, to make a further issue of 1,500 shares to the proprietors, at a premium of £10 per share, in the proportion of one to every three shares previously held. Upon this issue, £15,000 have been received for premium, and £32,235 on account of instalments.

From the accounts which the directors have now the satisfaction to place before the meeting, it will be seen that, after defraying all the current expenses of the establishment, including the usual proportion of building expenses, providing for all bad and doubtful debts, and allowing for rebate on bills discounted, not yet due, the sum remaining at their disposal amounts to £28,049 11s. 11d., which enables them to transfer £18,000 to the credit of the reserved fund, thereby increasing that fund to £28,000; to declare a dividend at the rate of £5 per cent. per annum, and a bonus of 10s. per share, both free of income tax; also to carry forward the sum of £2,174 11s. 11d. to the profit and loss account of the current half-year.

The directors who retire by rotation on the present occasion are Alderman Sir Robert Walter Carden, M. P., William Hackblock, Esq., M.P., and James Nelson Smith, Esq., who, being eligible, offer themselves for re-election. The dividend and bonus will be payable on and after Tuesday, the 21st July instant.

#### *Liabilities and Assets.—Tuesday, 30th June, 1857.*

<i>Dr.</i>			
To capital paid up, viz., £50 per share on 4,500 shares...	£225,000	0	0
Amount received on account of third issue of shares	32,235	0	0
Amount of reserved fund ... ..	10,000	0	0
Amount due by the bank on current and deposit accounts ... ..	1,248,191	0	6
Premium received on the issue of scrip for 1,500 new shares at £10 each ... ..	15,000	0	0
Profit and loss, for the balance of that account, viz.—			
Surplus profit brought forward from			
last half year ... ..	£3,742	10	7
Since added ... ..	25,633	9	8
		29,376	0 8
		£1,558,802	0 9



<i>Cr.</i>			
By Exchequer bills and bonds, and East India bonds...	£150,904	15	8
Bills discounted, loans, &c. ... ..	1,242,338	18	8
Building, furniture, &c. ... ..	30,490	7	1
Cash in hand, at Bank of England, and at call ...	135,567	19	4
	<u>£1,559,802</u>	<u>0</u>	<u>9</u>

*Profit and Loss Account of the City Bank, for the Half-year ending 30th June, 1857.*

<i>Dr.</i>			
To current expenses, including salaries, rent, stationery, directors' remuneration, proportion of building expenses, allowance for bad debts, income-tax, &c. ...	£10,289	9	5
Amount carried to profit and loss new account, being rebate of interest on bills discounted not yet due ...	6,036	18	11
Amount transferred to the reserved fund, in addition to the £10,000 already to the credit of that account ...	18,000	0	0
Dividend account, for the payment of a dividend at the rate of 5 per cent. per annum, upon £225,000, amount of paid-up capital upon 4,500 shares ...	5,625	0	0
Bonus of 10s. per share upon 4,500 shares ...	2,250	0	0
Undivided profit transferred to profit and loss new account ... ..	2,174	11	11
	<u>£44,376</u>	<u>0</u>	<u>3</u>

<i>Cr.</i>			
By balance brought down, viz. :—			
Surplus profit brought forward from last half-year ... ..	£3,742	10	7
Since added ... ..	25,633	9	8
	<u>£29,376</u>	<u>0</u>	<u>3</u>
Amount of premium received on the issue of scrip for 1,500 new shares, as above ... ..	15,000	0	0
	<u>£44,376</u>	<u>0</u>	<u>3</u>

We have examined, and approve the above accounts,

WM. ANNING, }  
ARTHUR A. RASCH, } *Auditors.*

London, July 8, 1857.

The Chairman said the report which had been read gave such full statements of the position of the company for the instruction of the proprietors, that it left him scarcely anything to say. He must, however, congratulate the meeting on the continued prosperity of this bank; for whilst rumours had gone forth in reference to other banks, nothing but good report had prevailed as to the City Bank. In the profit and loss account there was a larger amount of current expenses for the year. Gentlemen must be aware that banking was a commercial undertaking, and that all half-years could not show an equal amount of profits, and their expenses had been larger the last half-year than in the preceding corresponding



period; and yet the average of bad debts might be regarded as under the mark, looking to the large extent of their commercial transactions. The directors were extremely careful in the conduct of their business, but with the greatest vigilance occasions would arise when men said to each other, "Who ever would have thought of it?" but on that point he knew of nothing which should draw further comment from him. The directors were glad to see so large a number of the proprietary present, and he could only say that they would be glad to answer any questions which might be put to them by proprietors, because their great object was to give them every information. The directors felt that they had fully developed everything in their account of liabilities and assets; but still questions might be asked which they would be delighted to answer to the best of their power. Notwithstanding the current expenses had been larger, they were still able to declare a dividend of 5 per cent., with a bonus of 10s. per share, which brought the dividend up to 6 per cent. They had originally stated that they would pay a dividend, with a bonus, at the financial year, and that they would continue it; but he hoped that in future they would pay 6 or 7 per cent., with a bonus; but they would not give a bonus till the end of each financial year. He would now call attention to the state in which the bank was. They had written off £500 against the building fund, and £3,000 to the reserve fund, independent of £15,000 raised by way of premium on new shares; and notwithstanding all this, they had transferred to profit and loss new account £2,174 for appropriation for the current year. He would observe that there was one thing which increased the current expenses. They had a large rental to pay in the shape of a ground rent. Their premises were certainly the first in the City for the purposes of a bank; there was no situation equal to it, and, as a matter of course, such premises were not to be obtained without great cost; but by the great diligence of the directors, that cost would be reduced in the next half-year. They had to pay a ground-rent, independent of the building, of £1,850; that included the ground on which their offices were built and an adjoining house. They were obliged to take these adjoining premises, and they paid, as he had before stated, £1,850 a year to the Merchant Taylors' Company and Alderman Sir F. G. Moon for the possession of the property up to the present time; but he was happy to state that they had let off the floor over the bank, which was perfectly distinct, and had a separate entrance from what was called the City Chambers, for £1,545, and to tenants who were most likely to be permanent. It was their happiness and good fortune to have as their tenants the China and East India Bank, who had taken the first-floor at a large rental, and that would be a large relief for the next half-year, seeing that hitherto they had had to pay the whole £1,545. Then they had nine rooms unlet, for which they would on a fair calculation receive £450; so that if they let those nine rooms they would then have a rental of £2,000 to cover the ground-rent of the two houses. Then there was the building, which cost £32,000 for the bank; and the house which they were obliged to take, to the extent of £1,500, which had been repaid by taking £500 every half-year to pay off the building account. He might say that the whole had been paid with the exception of £500 which they had reserved, as they thought it right to keep that sum back to see that the works were satisfactorily executed. Therefore, there was about £30,000 for the building, including all fixtures and fittings, and taking this at 4 per cent. per annum, they really stood at a rental of £1,200 a-year. He could now sit down, but there was one thing in which this bank stood pre-eminent among joint-stock banks — namely,



that they had determined to have no branches—(hear); they wished to turn attention exclusively to the parent establishment. They all knew that private banks with one establishment made large fortunes. He did not wish to allude to the prices of their shares, because it was no part of his business to do so; but, as to the criterion of value, they might look at the prices of shares. Occasionally they would see fluctuations, but when they saw prices steady, that was the criterion of value—that was the value which the public put upon shares. Now, there were some large establishments which did not stand as high as this. (Hear.) He only mentioned this as matter for congratulation. He concluded by moving the adoption of the report.

The report was adopted, and a resolution declaring a dividend, as recommended in the report, was carried unanimously. The retiring directors were severally re-elected.

### LONDON AND WESTMINSTER BANK.

THE half-yearly meeting of this bank was held on the 15th of July, at the offices in Lothbury, Mr. Alderman Salomons in the chair, when the following report and accounts were presented:—

"The directors have the pleasure to report that, after making provision for all bad and doubtful debts, paying the income-tax, and setting apart £2,000 towards the new buildings in Lothbury, Bloomsbury, Temple-bar, and Southwark, the net profits of the last half-year amount to £104,021 1s. 8d.

"Out of this sum the directors propose to allow interest at the rate of 5 per cent. upon the rest or surplus fund, and they now declare a dividend to the shareholders at the rate of 6 per cent. per annum, and also a bonus of 6 per cent. upon the capital.

"After these payments are made there is a balance of £10,271 1s. 8d. to be carried forward to the credit of the profit and loss account for the current half-year.

"The balance of £978 6s. 7d. remaining unappropriated from the profits of the year 1856, the directors propose to place to the credit of the surplus fund, which, with the addition of £3,750 interest, will then amount to £154,728 6s. 7d.

"The directors have given notice in the advertisement calling this meeting of a proposal to increase the reserve fund to £250,000, and a resolution to that effect will be submitted to the meeting."

#### *London and Westminster Bank.*

<i>Dr.</i>		£	s.	d.
To proprietors for paid-up capital	... ..	1,000,000	0	0
Amount due by the bank on deposits, circular notes, &c.	... ..	13,913,058	17	3
Rest or surplus fund	... ..	150,000	0	0
Balance of profit and loss account, 1856	... ..	978	6	7
Net profits of the past half-year	... ..	104,021	1	8
		<b>£15,168,058</b>	<b>5</b>	<b>6</b>



# *Reports of Joint-Stock Banks.*

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<i>Cr.</i>	£	s.	d.
By Government stock, Exchequer bills, Exchequer bonds, and India bonds ... ..	2,011,282	3	1
Other securities, including bills discounted, loans to customers, &c. ... ..	12,189,698	1	3
Cash in hand ... ..	967,078	1	2
	<u>£15,168,058</u>	<u>5</u>	<u>6</u>

## *Profit and Loss.*

<i>Dr.</i>	£	s.	d.
To total expenditure of the seven establishments, including rent, taxes, salaries, stationery, &c. ...	27,871	9	7
Amount set apart towards the new buildings in Lothbury, Bloomsbury, Southwark, and Temple-bar ... ..	2,000	0	0
Amount added to rest, or surplus fund, by interest, at 5 per cent ... ..	3,750	0	0
Transfer to rest, or surplus fund, of balance of unappropriated profits, December 31, 1856... ..	978	6	7
Payment of the dividend now declared, at the rate of 6 per cent. per annum, for the last half-year on the paid-up capital of £1,000,000... ..	30,000	0	0
Bonus of 6 per cent. on the capital ... ..	60,000	0	0
Balance of profit and loss account ... ..	10,271	1	8
	<u>£134,870</u>	<u>17</u>	<u>10</u>

<i>Cr.</i>	£	s.	d.
By balance of profit and loss account on December 31, 1856 ... ..	978	6	7
Gross profits of the last half-year, after paying income-tax, and making provision for all bad and doubtful debts ... ..	133,892	11	8
	<u>£134,870</u>	<u>17</u>	<u>10</u>

## *Rest, or Surplus Fund.*

<i>Dr.</i>	£	s.	d.
Present amount ... ..	154,728	6	7
	<u>£154,728</u>	<u>6</u>	<u>7</u>
<i>Cr.</i>	£	s.	d.
Amount on January 1, 1857 ... ..	150,000	0	0
By interest on ditto, at 5 per cent. ... ..	3,750	0	0
Unappropriated balance of profit and loss account, December 31, 1856 ... ..	978	6	7
	<u>£154,728</u>	<u>6</u>	<u>7</u>

The Chairman said that in moving, according to custom, that thereport which had just been read should be adopted, he had very few observations to make. The report was a plain unvarnished tale of policy, honestly and conscientiously made up, giving the leading features of the day; and if



any further information were required to be furnished as between customers, the directors would be ready to place it at the disposal of proprietors, because they considered the shareholders as partners. The last half-year had been a very productive one, as the report showed. In the first place, he would mention that their deposits had increased two millions and a half during the half-year; and the high rate of money had enabled them to employ it in an advantageous manner, and they had the best proof of that fact in the dividend which they were about to declare. He was happy to say that from the general high credit in which the establishment stood, and the readiness of many persons to come to them, they would always be able, with prudence and management, to furnish a satisfactory and liberal dividend. The dividend in the present case was at the rate of 18 per cent. per annum—6 per cent. for the ordinary dividend, 5 per cent. bonus on the capital, leaving £1,000, or 1 per cent. towards the current business of the year. He felt that he need not, after what he had stated, assure them that their business was conducted with the most scrupulous care. The directors ran no risks for the sake of augmenting their dividends, which would be a criminal act on their part, inasmuch as it would jeopardise their interests, and give the proprietary reason to think that their business was not conducted according to the principles of careful banking. Much, however, must depend on the confidence which was reposed in the directors, who had been under an injunction at one time, on the part of the proprietors, not to increase the reserve fund of £150,000. The amount, he must remark, was fixed in 1854, when the deposits were comparatively small, and as prudence required it should be now increased, he trusted there would be no difficulty in securing the assent of the proprietors to that proposition. With a view to increase the reserve fund from £150,000 to £250,000, they had added 5 per cent. interest on that amount, and the small balance from profit and loss of £980. He was sure that the shareholders would commend this prudent step. There was a notion among those who were jealous of the prosperity of this establishment, and who naturally felt jealous of the large dividends which they were paying, to call attention to the amount of the deposits as compared with the capital; that was not a matter which he would enter upon then, but it was clear that the reserve fund ought to be increased. The directors considered that they paid the proprietors an ample dividend, and he trusted they would always be able to pay it. He trusted that the proposition which would be submitted to them for increasing the reserve fund would meet with unanimous assent. In conclusion, he begged to move the adoption of the report.

Mr. Brown seconded the motion.

On the motion being put,

Mr. Crouch said, there could be no doubt that the report which had been presented was one of the most flattering character; but there was an understanding some two years since that the proprietors should have the full benefit of all profits made, and obtain the largest possible dividend. (Cries of "Oh," and impatience.) He should think that if a gentleman was not to be heard, it must arise from the exercise of some influence on the other side of the table. (Order.)

The Chairman hoped that no gentleman would make any reflections on those who composed the meeting.

Mr. Crouch—They had, he continued, £5,000,000, for which they gave security to the public, he took it for granted they had that security which would render a reserve useless. In the Bank of England all the capital was paid up, therefore there was a necessity for a rest. He objected in the case of this bank to increasing the reserve to the extent proposed.



The Chairman said he should like to answer these questions at once, because it was not right to press any matters on erroneous principles. As to the question of increasing the reserve fund, it was not a question of danger, it was a consideration of prudence, and a proceeding which must increase the confidence of the public in the establishment. He thought it was bad in principle to make a comparison with other banks, he thought great evils might arise from the adoption of such a principle; but he must state that they were making more money than any other bank.

Mr. Hadow begged to express his approval of the course which had been adopted by the directors, as to augmenting the reserve fund. He was himself one of those who urged the necessity of making the reserve fund £150,000, and he should be pleased to find it increased, as proposed, to £250,000.

Mr. Templeman considered that a reserve fund meant capital upon which no dividend was paid, and he contended that it would be wiser rather to increase the capital than the reserve fund, as had been done in the case of many Scotch banks, with great advantage to the proprietary.

The Chairman said the subject of dealing with the reserve fund had not escaped the attention of the directors. They had discussed the matter, and wished to make the reserve fund moveable, by transferring it into shares. But as to Scotch banks the case was very different; they were banks of issue, liable to the influence of panics, and they, therefore, should be backed by a large invested capital.

The motion was carried unanimously.

The Chairman then moved a resolution governing the mode of increasing the reserve fund, as recommended in the report, which was carried unanimously.

On the motion of Sir Charles Burrell, Bart., M.P., a vote of thanks to the chairman and directors was carried by acclamation.

The Chairman returned thanks on behalf of himself and his colleagues, and took occasion to observe that it was now ten years since any increase had been made in the emolument of the directors. Situated as they were, it was generally supposed that the directors had a lien on their profits, and looking to the large increase of business, he thought it was fair they should ask for a larger allowance, and he thought that an addition of £1,500 would be reasonable—making the total, £6,000.

The suggestion was seconded by a proprietor, but another shareholder considered that the proposition ought to have emanated from the other side of the table. A discussion followed, and it was ultimately agreed that the subject should be brought forward at the annual meeting.

A vote of thanks was carried to Mr. J. W. Gilbert and the other officers of the company, which closed the proceedings.

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### UNION BANK OF LONDON.

THE annual general meeting of the shareholders of this Bank was held on the 15th of July at the offices of the bank, Princes-street, City, for the purpose of having submitted to them for their consideration the report of the directors and the usual statement of accounts. Sir Peter Laurie was in the chair. The directors were loudly and repeatedly cheered as they entered the place of meeting. The minutes of the transactions of the preceding meeting having been read and confirmed, the following report and statement of accounts were laid before the proprietors:—



In presenting the eighteenth annual report on the affairs of the bank, the directors have the satisfaction of informing the proprietors that, after payment of all charges, and including the sum of £257,771 19s. for interest paid and due to customers on their current and deposit accounts, making ample provision for all bad and doubtful debts, and deducting £20,351 19s. 9d. for rebate of bills not due, the net profits of the year ending the 30th of June last amount to £136,226 12s. 6d.

The directors now declare a dividend of 5 per cent., and a bonus of 7½ per cent. for the last six months, which, with the dividend and bonus paid in January last, amount to 20 per cent., clear of income tax, for the year; and they have added 2½ per cent. in the paid-up capital to the reserve fund.

After payment of the dividend and bonus for the year, amounting to £120,000, and the addition of £15,000 to the reserved fund (which will thus amount to £150,000) an unappropriated sum remains of £20,351 19s. 9d. to be carried to profit and loss new account, for rebate, and a further sum of £12,126 12s. 6d. to undivided profit.

The directors believe that it will be satisfactory to indicate the course they intend to recommend for the adoption of the proprietors with reference to future dividends, which is, to limit the dividend and bonus to 20 per cent. per annum, as a maximum, to be paid whenever the profits of the year will justify it, after making due provision for the reserved fund; and to carry all surplus above the dividend declared to the credit of that fund, until it shall amount to £250,000, when the directors will submit a proposal for capitalising a portion of it, by making an addition to each share.

Considering that more frequent opportunities of receiving information on the affairs of the bank will be acceptable to the proprietors, the directors have resolved to hold a half-yearly meeting in every year, to present the accounts of the preceding six months.

In conformity with the provisions of the deed of settlement, the following directors retire by rotation, viz.—John Chapman, Esq., Sir John Musgrove, Bart., and Sir Peter Laurie, who being eligible, offer themselves for re-election, and are recommended by the court accordingly."

The following statement of accounts was laid before the proprietors:—

<i>Dr.</i>		LIABILITIES.			
To capital paid-up, £10 per share on 60,000 shares	...	£600,000	0	0	
Due by the bank on current accounts, deposit receipts, (including interest accrued), circular notes, &c.	...	10,874,640	5	9	
Reserved fund, invested in Bank of England Stock and Consols, as per contra	...	135,000	0	0	
		£11,609,640	5	9	
Surplus	...	156,578	12	3	
		£11,766,218	18	0	
<i>Cr.</i>		ASSETS.			
Cash in the bank, at the Bank of England, and at call	...	£1,775,757	19	4	
Government Stock, Exchequer bills, and City bonds	...	1,536,500	0	0	
Loans, bills discounted, &c.	...	8,173,328	18	1	
Carried forward		£11,485,586	17	5	



	Brought forward	£11,485,588	17	5
£60,000 Bank Stock (taken at 200, present value being 212½), and £18,326 10s. 8d. Consols Reserved Fund..		135,000	0	0
Bank premises, consisting of freehold buildings in Princes-street, Mansion House-street, Argyll-place, and Fleet-street; and lease and fixtures of 4, Pall-mall East ... ..		100,632	0	7
Half-year's dividend and bonus, to 31st December, 1856, amount carried forward ... ..		45,000	0	0
		<u>£11,766,218</u>	<u>18</u>	<u>0</u>

APPROPRIATION OF THE SURPLUS.

Dividends on paid-up capital, viz. :—

Half-year, to Dec. 31, 1856, already paid at 5 per cent.	£30,000	0	0
Bonus—already paid .. .. . at 2½ ..	15,000	0	0
Half-year, to June 30, now declared .. .. . at 5 ..	30,000	0	0
Bonus—now declared ... .. . at 7½ ..	45,000	0	0
To be appropriated to reserved fund ... .. . at 2½ ..	15,000	0	0
	<u>£135,000</u>	<u>0</u>	<u>0</u>

Carried to profit and loss new account, viz. :—

Rebate of interest on bills not yet due ... ..	20,351	19	9
Undivided profit ... ..	1,226	12	6
	<u>£156,568</u>	<u>12</u>	<u>3</u>

Surplus, as above, after deducting all expenses and interest paid or due (£257,771 19s.), allowed to customers on current and deposit accounts ... ..	<u>£156,578</u>	<u>12</u>	<u>3</u>
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The report was exceedingly well received by the meeting.

The Chairman then formally declared the dividend and bonus mentioned in the report, and at the same time moved the reception and adoption of the report and accounts. If he were not mistaken, the very flattering manner in which the directors' report had been received would render it quite unnecessary for him to dwell on its contents. (Cheers.) This was the 18th time he had had the honour of taking the chair at these meetings.

A Proprietor—I heartily hope you will occupy it 18 years longer. (Loud cheers.)

The Chairman (good humouredly) would be most happy to be amongst them for a similar period. (Hear, hear.) He had observed that this was the 18th time he had presided over their meetings, and he had always done so with great satisfaction, because their profits had progressively increased. (Hear.) He thought nothing could so much conduce to make these meetings satisfactory to all parties, and to increase the confidence between them, as the steady increase of net income to which he had alluded. (Cheers.)

A Proprietor had great satisfaction in seconding the motion, and congratulated the proprietors on the improving condition of the bank.

Mr. Borrodalle thought the fourth paragraph of the director's report was



not quite so lucid as might be desired. If, for instance, 23 per cent. net profit were earned in the 12 months, was it meant to divide to the extent of 20 per cent., and carry 3 per cent. to the reserve fund or not?

Mr. Laurie observed that the directors spoke of 20 per cent. as a maximum dividend, but Mr. Borrodaile's question appeared to imply that he wished to have that amount as a minimum dividend. Whatever profit the bank realised the directors would, out of it, make an addition to the reserve fund. (Cheers.) The directors, who held largely in the undertaking, felt that by so doing they were taking the best possible means of promoting the permanent welfare of the bank. The board would pay as high a dividend as they fairly could. If 23 per cent. were earned, they would be most happy to recommend 20 per cent. as the maximum, after having made due provision for the reserve fund.

**A Proprietor**—Is the Fleet-street branch paying?

The Chairman said the directors were surprised at the success of the Temple-bar branch. He did not know that any one of their branches was more remunerative.

**The Proprietor**—Are all of them remunerative?

The Chairman—Yes, greatly so; but I do not think that at this moment we are inclined to have any more branches. (Hear.)

Dr. Beattie wished to know whether the bill now before Parliament, in reference to joint-stock banks would operate prejudicially against the Union Bank of London?

The Chairman believed it would not operate against, or effect any alteration in, the practice of banks in existence before the passing of Peel's Act. The Union Bank of London, they would recollect, was established in 1839. Indeed, it was understood from Mr. Lowe, by the deputation that recently waited upon him, that such an interference with the older joint-stock banks would not be made.

Mr. W. W. Scrimgeour (the manager of the bank), in answer to a series of interrogatories put by a shareholder, said that not one shilling of the moneys of the bank had been advanced to directors; that there was a regular audit by the directors of the securities—viz., at least once every three months, and that there was a regular examination of the transfers of shares.

The retiring directors were re-elected by acclamation, and a cordial vote of thanks to the chairman, directors, and officers of the company, closed the business.

### THE LONDON JOINT-STOCK BANK MEETING.

THE 40th general meeting of the shareholders in this company was held on the 16th of July at the banking-house, Princes-street, Mansion House, Mr. Thomas Tilson presiding, who briefly opened the proceedings.

The Secretary read the following report:—"The accounts which the directors now submit to the shareholders show that the net profit of the bank for the past six months amounts to £76,746 19s. 3d. This result enables the directors to declare a dividend at the rate of 12½ per cent. per annum, and a bonus of 10s. per share, leaving a balance of £9,246 19s. 3d. for division at the end of the year. The dividend and bonus, free from income-tax, will be payable on and after Friday, the 24th instant."



*Liabilities and Assets, Tuesday, June 30, 1857.*

*Dr.*

To capital paid-up, viz , 60,000 shares at £10 each .....	£600,000	0	0
To amount due by the bank ... ..	10,898,530	1	3
To amount of "the guarantee fund,"			
31st December, 1856... ..	£165,932	13	10
To six months' interest on ditto, at £3			
per cent. per annum... ..	2,488	19	9
		168,421	13 7
To amount carried to profit and loss account ... ..	140,135	15	3
	£11,607,087	10	1

*Cr.*

By Exchequer bills and India bonds ... ..	£1,002,863	6	8
By cash, loans, bills discounted and other securities ...	10,559,899	3	5
By building, furniture, &c., in Princes-			
street ... ..	£36,325	0	0
By ditto ditto ditto in Pall Mall... ..	8,000	0	0
		44,325	0 0
	£11,607,087	10	1

*Profit and Loss Account for the Half-year ending June 30, 1857.*

*Dr.*

To current expenses. proportion of building expenses,			
directors' remuneration, bad debts, income-tax, &c. ...	£26,069	11	9
To amount carried to profit and loss new account,			
being rebate of interest on bills discounted not yet			
due... ..	37,319	4	3
To dividend account for the payment of half-a-year's			
dividend, at the rate of £12½ per centum per annum,			
upon £600,000, amount of paid-up capital upon			
60,000 shares ... ..	37,500	0	0
To ditto for the payment of a bonus of 10s. per share...	30,000	0	0
To amount carried forward to profit and loss new ac-			
count ... ..	9,246	19	3
	£140,135	15	3

*Cr.*

By balance brought down ... ..	£140,135	15	3
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On the motion of the chairman the report was unanimously adopted ; and the dividend having been declared, thanks were voted to the chairman, and the meeting separated.

**THE UNION BANK OF AUSTRALIA.**

THE annual meeting of the proprietors of this bank was held on the 20th July, at their offices, 38, Old Bond-street, Mr. Robert Campbell, in the chair.

The secretary, Mr. Saunders, after having read the advertisement convening the meeting, next read the report of the directors, as follows :—



The profits of the bank for the half-year ending in the colonies on the 31st of December, and at the London office on the 30th June, have exceeded those of the previous half-year by the sum of £2,165 12s. 7d.; those reported in January last being £90,528 1s. 5d., and the present amounting to £92,673 14s.; and there are indications of subsequent improvement in several important items of the general banking business, while no further bad debts have been incurred. Notwithstanding this, the directors are unable to declare the same dividend on the present occasion, in consequence of an increased estimate for probable loss on old dependencies having been advised in the inspectors' reports on the accounts at the close of the year. This has led the directors to make a special deduction of £13,600 from the balance of undivided profit to cover such estimate; the amount of the reserve held for the purpose being thus increased to £69,000; the board hope, however, that the entire of this sum may not ultimately be required.

The directors have to report that their late inspector, Mr. Alexander M'Donald, having been offered a partnership in a commercial firm in Sydney, expressed, early in 1856, a desire to be relieved from the duties of his office, when it could be done with convenience to the bank. On receiving this intimation the board, with the view of providing a more constant inspection of their branches, determined to form them into two districts, and to appoint an inspector for each. They accordingly promoted to the office of inspector for Victoria, South Australia, and Van Diemen's Land, Mr. James Blackwood, for many years a valuable officer of the bank, and during the last four years their manager at Melbourne. For New South Wales and New Zealand they selected as inspector Mr. John M'Mullen, a gentleman who for several years occupied a similar situation in the National Bank, in Ireland, and whose testimonials for character and talent were in the highest degree satisfactory. These gentlemen entered on their respective duties on 1st January last; and the communications received from them, down to the 14th April, have been such as to justify in every respect the confidence which the board have reposed in them.

The directors have marked their estimation of the valuable services of Mr. M'Donald, by offering him a seat at the local board at Sydney, which he now occupies.

Previous to his retiring from the office of inspector, Mr. M'Donald visited the provinces of New Zealand, and resolved upon opening a branch at Dunedin, in Otago, and an agency at Christchurch, where the operations of the bank have been recently extended.

After a general review of the bank's business during the year, and looking to the able and careful reports received from their inspectors, the directors are justified in using the language of confidence as to future prosperity. They feel that no over-estimate can be formed of the importance of the Australian portion of our colonial empire, and every year adds new proof that its welfare and advancement are bound up with those of the mother country.

Mr. John Bloxam Elin and Mr. St. Leger Richard Glyn retire from the direction on the present occasion, in conformity with the provisions of the deed, and now offer themselves for re-election.

The directors proceed to submit the statement of accounts, which presents an amount of profit for the year now reported on of £182,221 15s. 5d., to be added to the former balance of £5,666 6s. 7d., from which deducting income tax, payment of dividend to Christmas last, and the special sum of £13,600 already mentioned, there remains £79,282 8s. 5d. as the amount of undivided profit. This admits of £77,900 being appropriated for the purpose of dividend, which the directors have determined to apply as interest



on the paid-up capital; and the same will therefore furnish a dividend by way of interest at the rate of 9½ per cent. (for the half-year) on the amount paid up in respect of each share in the capital of the company, payable in London, free of income tax, on Tuesday, the 4th day of August, and in the colonies, with the addition of the income-tax, as soon as the inspectors shall fix after receipt of advices.

The secretary next read the following:—

*Statement of Liabilities and Assets at the Branches, on the 31st December, 1856, and at the London Office, on the 30th June, 1857.*

LIABILITIES.						
Circulation ... ..	£413,219	0	0			
Deposits ... ..	2,396,336	3	11			
Bills payable and other liabilities ... ..	1,171,043	3	10			
Balance of undivided profits ... ..	79,282	8	5			
Reserve fund (invested as per contra) ... ..	200,000	0	0			
Paid-up capital ... ..	820,000	3	0			
	£5,079,880	16	2			

ASSETS.						
Specie on hand, and cash balances ... ..	£802,176	19	11			
Bullion ... ..	9,135	0	11			
Bank premises and property ... ..	59,082	9	10			
Bills receivable, Government stock, and other securities	4,009,486	5	4			
Investment of reserve fund, New Three per Cents. ...	200,000	0	0			
	£5,079,880	16	2			

*Statement of Profits.*

Balance of undivided profits at June, 1856 ... ..	£91,767	6	7			
Out of which a dividend was declared, by way of interest, amounting to ... ..	86,100	0	0			

Leaving a balance of ... .. 5,667 6 7

To which are now to be added the profits of the past year, ending at the branches on the 31st December, 1856, and at the London office, 30th June, 1857, viz.:—

For half-year, as reported in January, 1857 ... ..	£90,529	1	5			
Ditto, now reported ... ..	92,693	14	0			

Deduct ... ..	183,221	15	5			
Income tax paid for year on the average of the last three years ... ..	14,006	12	7			

169,214 1 10

Amount of interest paid to proprietors at Christmas, 1856

174,882 8 5  
82,000 0 0

Deduct ... ..	£92,882	8	5			
Amount of increased reserve against loss on doubtful debts, as stated in the report ... ..	13,900	0	0			

Leaving a net balance of undivided profits at this date...

£79,282 8 5



*Reserve Fund.*

As reported at June, 1856 ... .. £200,000 0 0

The Chairman said, gentlemen, the comprehensive report of your directors, which you have just heard read, embraces so many of the topics which are of very special interest to a meeting of the shareholders, that my remarks on the present occasion will necessarily be of a very brief character. You will gather from the report that the dividend shows a small fractional decline; but that the profits of the past half-year are in reality greater than those of the half-year preceding. (Hear, hear.) As one of the committee of accounts upon this occasion, I can inform you that the directors have largely employed the pruning-knife in lopping off profits to strengthen the bank reserves. In this we have been mainly guided by the reports of our inspectors; and, as those gentlemen were but recently appointed, I need not tell you that an ample provision has been made for bad and doubtful debts. I entirely share in the hopes expressed in the report, as to the future prospects of our institution; and I base my expectations on the following considerations:—In the first place, our future dividends will have the benefit of a considerable reduction in the amount of the income-tax paid by this bank. This amount, owing to the high rate of tax, and the exceptional profits on which it was calculated, averaged for the last two or three years not less than from £14,000 to £18,000 a year for income tax; and I confidently expect that that amount will very shortly decline to £5,000 a year. (Hear, hear.) Again, I augur great and important advantages from the arrangement by which our colonial branches are henceforward to be placed under two inspectorships. I attribute many of the bad debts which were hitherto made, and which so seriously diminished our profits, to the fact that we had but one inspector, who was necessarily unable to superintend the business of the seventeen branches to which our bank has grown in the colonies. To the same fact, I think we may trace much of the sluggishness which I freely confess to you had begun to characterise our bank's action. I believe that the appointment of two inspectors will exercise a material and a most valuable influence on our future operations. I have further to state that we have received very satisfactory accounts from our branch establishments down to the very latest dates; and we anticipate considerable benefit from the increased energy which will, we trust, be infused into our operations by the arrangements which have been lately made here by the directors. The extension of our business arising from the rapid growth of our branches has rendered it necessary, since we last met you, that a large addition should be made to the banking accommodation pursued in the branch offices. That increased accommodation, however, has been obtained at an inconsiderable cost, while it must greatly facilitate the transaction of business, and I trust tend to increase your future dividends. I thank you for the attention with which you have listened to these few remarks; and, in conclusion, I have only to state that I shall be happy to answer any question which any proprietor may be pleased to put to me. (Hear.)

Captain Doyle asked how long the liability of shareholders will continue after they have disposed of their shares in the bank?

The Chairman said he believed the law was that that liability should continue for a period of three years.

Captain Doyle asked what was the amount of the liability of the shareholders?

The Chairman answered that it was unlimited.

Captain Doyle further asked the Chairman whether he could give him



any information with respect to the new bank of issue which it was said was about to be established in the colony of Victoria?

The Chairman said he believed that that project had been abandoned.

Captain Doyle said he considered that to be very important information. He would only further ask whether the directors had any intention of applying for a charter for the bank?

The Chairman said that they had no such intention.

Mr. Macintyre said he wished to know what had become of the £50,000 which had been set down about a year ago to the account of the lost and doubtful debts. Had that sum been since written off?

The Chairman said that the whole of the sum alluded to remained written off. There was, besides, a further sum of £13,600 now added to the provision against bad and doubtful debts, and the total reserve set down under that head was at present £69,000.

Mr. Macintyre said that there was another question which he was anxious to put, although he was aware that it was one of a delicate character. He might observe that he had asked a similar question at a meeting a short time ago of another banking establishment, so that it could not be supposed that in the course he was at present pursuing he was acting under the influence of any special and exceptional feeling as regarded the Union Bank of Australia. He wished to know what was the amount of the bills discounted for directors at the different branches of the bank.

The Chairman said, it was impossible he could then answer that question. He might, however, state, that if they were not to make advances to the local directors, the profits of the bank would be very materially diminished, and very great advantage was derived from the business of those directors (hear, hear).

Mr. Macintyre said he believed it was generally thought that any other bills ought to be preferred.

The Chairman said that the directors were of a different opinion.

Mr. Cumming said that no advances were made to the branch directors as individuals. Those gentlemen were members of large firms carrying on extensive business; and the accounts of these firms were about the best the bank could possibly have (hear).

Mr. D. Larnach moved that the report of the directors be received and adopted.

Captain Lawson seconded the motion,

The motion was then unanimously carried and votes of thanks closed the proceedings.

### COMMERCIAL BANK OF LONDON.

THE annual meeting of the Commercial Bank of London was held on the 21st of July, at the offices in Lothbury. Mr. Hunter in the chair.

The manager, Mr. Cutbill, read the following report:—

The directors have now to place before the proprietors the balance-sheet for the year ending 30th June last, showing a net profit of £26,810 14s. 7d., after deducting current expenses, and making provision for bad and doubtful debts.

The directors propose to declare a dividend of 4 per cent. for the past half-year, making, with the dividend already paid, 7½ per cent. for the year, free of income-tax.

After the payment of this dividend, there will remain a sum of



£4,160 14s. 9., to be carried forward to profit and loss new account for rebate of interest on bills not yet due, and a further sum of £149 19s. 10d. to be added to the reserve fund, which, with the annual interest, will then amount to £73,272 19s. 10d.

It will be seen that the business, and consequently the profits of the bank, have been much reduced by the unfounded and injurious rumours circulated in the autumn, which were brought to the notice of the proprietors at a meeting held in December last. The directors are happy to state that the explanations then given, together with the promptitude with which the pressure was met, had the effect of entirely satisfying both the proprietors and the public of the strength and solidity of its position.

The directors could not expect, in the face of active competition; immediately to recover the ground then lost, but they have the satisfaction of stating that some of the accounts which had been withdrawn have since returned, and that many new and valuable accounts have been opened since the commencement of the present year.

Several proprietors having expressed a wish to see the number of directors reduced, the board propose to take power under the deed of settlement to alter the *minimum* number from sixteen to twelve.

In compliance with the provisions of the deed of settlement, the following directors, viz.—Charles Butler, Esq., John Alfred Chowne, Esq., John Savage, Esq., and Joseph Thompson, Esq., retire from office, but, being eligible, offer themselves as candidates for re-election.

*Balance-sheet to June 30, 1857.*

*Dr.*

To capital subscribed	...	...	£1,500,000	0	0		
Capital paid up, £20 each on 15,000 shares	...	...	£300,000	0	0		
Guarantee fund, invested in Government securities	...	...	£70,821	6	3		
Add interest for the year	...	...	2,301	13	9		
						73,123	0 0
Balances due to the customers of the bank	...	...				936,724	11 6
Balance carried down after paying income-tax, and deducting all charges and expenses, including £24,387 8s. 3d. interest due to customers, and making provision for bad and doubtful debts	...	...				26,810	14 7
						£1,336,658	6 1

*Cr.*

To cash in the bank and at call, in the Bank of England, Exchequer bills, India bonds, and Consols	...	...	£343,183	0	6		
Bills discounted, loans on stock and other securities	...	...	990,475	5	7		
Strong room fittings and new furniture since 1854, premises held on lease	...	...	3,090	0	0		
			£1,336,658	6	1		
Dividend at the rate of £7 per cent. per annum for the half-year ending 31st December, 1856, already paid	...	...	£10,500	0	0		
Dividend at the rate of £8 per cent. per annum for the half-year ending 30th June, 1857	...	...	12,000	0	0		
Carried forward			£22,500	0	0		



	Brought forward	£22,500	0	0
Rebate of interest on current bills carried to profit and loss new account	... ..	4,160	14	9
Balance carried to guarantee fund, making that fund				
£73,272 19s. 10d	... ..	140	19	10
		£26,802	14	7
Balance brought down...	... ..	£26,802	14	7

The Chairman, in moving the adoption of the report, said he wished, for the sake of the shareholders as well as of the directors, that the report had been more satisfactory; and he was afraid that anything he could say would not make a reduced dividend pleasant, when other banks were paying increased dividends. Looking to what had transpired in December, it was clear that they had passed through a very severe trial, and therefore the proprietors must be prepared for such a result. It was hardly to be supposed that, when more than one-third of their balance was withdrawn, there should not be a great diminution of profits. Some gentlemen who were present would probably remember that he said in December last, that they could not look to the same extent of profits with diminished balances, because they not only lost their customers' money, but they had to keep up a reserve in hand, and therefore they could not employ their money so profitably. As men of business, they could not be surprised that the dividend was small. That was the unpleasant side of the question; but on the other hand, it was cheering to know that in spite of adverse circumstances they stood before the public in as good a position as any bank as to their means of meeting all possible or conceivable demands which could be made upon them. They showed 35 per cent. cash to meet demands over and above all liabilities. They were in as good a position as any other bank, and the proprietors ought not to be disheartened. As the report stated, the directors could not expect, in the face of active competition, immediately to recover the ground then lost, but they have the satisfaction of stating that some of the accounts which had been withdrawn have since returned, and that many new and valuable accounts had been opened since the commencement of the present year. He believed they had made larger profits than any other bank in proportion to the extent of business done. He called upon any gentleman to move the adoption of the report.

The Right Hon. Major W. Beresford moved the adoption of the report, and expressed his perfect satisfaction at the report, and his confidence in the directors, because he felt his property was placed in the hands of gentlemen who had made a fair, honest, stand-up fight against injurious reports.

Mr. John Brown seconded the motion.

After some conversation, the report was adopted. The four retiring directors were re-elected, and notice was given of the intention to alter the clause 7 of the deed reducing the *minimum* number of directors from 16 to 10.

A dividend was declared in conformity with the recommendation contained in the report, and thanks were voted to the chairman.



**BANK OF NEW SOUTH WALES.**

THE following report of the board of directors of the Bank of New South Wales was unanimously adopted at the half-yearly general meeting of the proprietors, held at the banking-house, Sydney, on Wednesday, the 22nd of April, 1857.

The directors have the pleasure to present to the shareholders a statement of the affairs of the bank for the past half-year, and to report a continued steadiness in its business.

The undivided balance of 30th September last was ...	£3,063	3	11
From which is to be deducted the amount voted by the proprietors on the 29th October, to the directors and auditors ... ..	1,400	0	0
	<u>£1,663</u>	<u>3</u>	<u>11</u>

To which are to be added the net profits, after deducting rebate on current bills, paying all expenses of management, providing for all bad and doubtful debts, and making allowance in reduction of bank premises and office-fittings... ..	62,813	6	10
Leaving for distribution ... ..	<u><u>£64,476</u></u>	<u><u>10</u></u>	<u><u>9</u></u>

Which the directors recommend to be applied:—			
To payment of dividend at the rate of 29 per cent. per annum ... ..	£50,000	0	0
Increase of reserve fund ... ..	13,053	4	8
Balance carried to profit and loss "New account" ...	1,423	6	1
	<u><u>£64,476</u></u>	<u><u>10</u></u>	<u><u>9</u></u>

With the above increase to the reserve fund, and the sum of £1,946 15s. 4d., collected from debts previously written off as bad, that fund will amount to ... .. £140,000 0 0

The directors recommend that the authority conferred on them at previous half-yearly meetings, to form such branches or agencies as may be expedient during the present half-year, be continued.

The dividend will be payable at the head-office, on and after to-morrow, the 23rd instant: and at the branches immediately on receipt of advice,

On behalf of the Board of Directors,

ROBERT TOOTH, for the President.

*Aggregate Balance-sheet of the Bank of New South Wales, March 31, 1857  
(including London Branch, to December 31, 1856).*

<i>Dr.</i>			
To Bank stock ... ..	£500,000	0	0
Notes in circulation ... ..	682,414	0	0
Bills payable ... ..	1,388,178	8	9
Deposits and other liabilities ... ..	2,492,255	5	6
Old Bank circulation ... ..	3,312	0	0
Reserve fund ... ..	126,946	15	4
Profit and loss ... ..	83,903	6	6
	<u><u>£5,277,069</u></u>	<u><u>16</u></u>	<u><u>1</u></u>



<i>Cr.</i>									
By coin and cash balances	...	...	...	...	£693,004	7	9		
Bullion in hand and in transit to London branch,									
31st March, 1857	...	...	...	...	1,271,676	11	6		
Government securities	...	...	...	...	235,073	7	0		
Notes of other banks	...	...	...	...	31,311	0	0		
Bank premises	...	...	...	...	45,893	8	2		
Bills discounted and other debts due to the bank	...	...	...	...	2,866,636	7	8		
Insurance account	...	...	...	...	7,424	14	0		
Suspense note account	...	...	...	...	1,250	0	0		
Investment in Government debentures, on account of									
reserve fund	...	...	...	...	124,800	0	0		
					£5,277,069	16	1		

PROFIT AND LOSS.

<i>Dr.</i>									
To rebate on bills discounted, not due at this date (31st									
March)	...	...	...	...	£19,486	15	9		
Dividend for half-year, at the rate of 20 per cent.									
per annum	...	...	...	...	50,000	0	0		
Reserve fund	...	...	...	...	13,053	4	8		
Balance carried forward to profit and loss "New									
account."	...	...	...	...	1,423	6	1		
					£83,963	6	6		

<i>Cr.</i>									
By amount from last account (1st October)	£3,063	3	1						
Deduct voted by the proprietors at									
meeting of 29th October, to direc-									
tors and auditors	...	...	...	1,400	0	0			
					£1,663	3	11		
Profits of half-year (ending 31st March)	...	...	...		82,300	2	7		
					£83,963	6	6		

RESERVE FUND.

<i>Dr.</i>									
To balance (31st March, 1857)	...	...	...	...	£140,000	0	0		
					£140,000	0	0		
<i>Cr.</i>									
By balance, 1st October, 1856	...	...	...	...	£123,000	0	0		
Sundry recoveries from bad debts	...	...	...	...	1,946	15	4		
Amount from profit and loss, 31st March, 1857	...	...	...	...	13,053	4	8		
					£140,000	0	0		

Audited April 10, 1857

J. MILSON, Jun. }  
E. C. WEEKES, } Auditors.



### NATIONAL SAVINGS BANK ASSOCIATION.

THE annual general meeting of this association was held yesterday, at the offices, King William-street, for the purpose of receiving the annual report and balance-sheet for the year ending June 30, and to elect directors, two of whom retire in rotation.

Mr. J. W. Williamson, the chairman, presided, and called on the secretary to read the report, from which we make the following extracts :—

"The directors, in presenting this statement of the first year's operations of the association, feel that, taking into consideration the time and circumstances under which the association was formed, they have every reason to be well satisfied with the progress made, and no doubt can exist as to its ultimate success.

"The directors have visited many of the principal towns and villages of the kingdom, and have the satisfaction of stating that in every place they have been well received, and that offers of cordial support have on all sides been tendered.

"The recent large failures of banking establishments in London and the provinces, and the high rate of interest obtainable in the money market for a considerable time past, have caused almost a panic, and rendered the public unwilling to engage in any commercial undertaking, however safe or profitable—circumstances which have tended greatly to retard the progress of this association. Great uncertainty has also been created in the minds of those classes who would have been supporters of this association, either as depositors or otherwise, by an expectation that some great change was about to be made in the constitution and security of savings banks in general, by the long-promised government measure on savings banks, which it was supposed might materially affect this association. At present there seems little probability of any change being effected; and, certainly, as far as anything has yet been proposed by the Government, your directors believe that those changes would benefit rather than injure this association.

"The directors have, however, pleasure in stating that they have now in practical operation, in some of the most important towns of the kingdom, 17 branches of the association, in each of which the average weekly deposits exceed £10; and they have nearly 20 other branches in preparation, all of which it is expected will be brought into operation within a very few weeks."

The Chairman then alluded to the satisfactory position of the society, and the great encouragement they had to persevere, stating that no doubt could exist as to the success of the institution. It appeared the amount of money received was £14,604 19s., while the expenditure had been £2,183 6s. 11d., leaving about £1,090 yet to be paid for the completion of the various branches alluded to in the report.

The usual vote of thanks was proposed to the chairman, and the meeting terminated.



## Communications.

### FORGED ACCEPTANCES.

*To the Editor of the Bankers' Magazine.*

SIR,—I beg to submit the following case for your opinion :—

A bank discounts to a customer two bills of £300 each, he being the drawer. When those bills reach maturity he sends two other bills for £300 each, the acceptances of another person, to retire them, he paying the discount in cash. When these two last bills become due, it is ascertained that the acceptor's name has been forged. The drawer absconds, is captured, and stands his trial for the forgery.

The first bills having been given up to the drawer when the latter bills were discounted, is it competent to recover by an action the documents themselves on the ground that they were obtained from the bank by fraud, and so to preserve the original genuine acceptor liable for the amount? Is it also competent, in the event of the bills having been destroyed, to bring an action against the original acceptor for recovery of the £600, on the ground that he being the debtor in the bills has not paid them?

If no action can lie against the original acceptor, the door is open to the substitution of false for real bills, and much injury may, by collusion, arise in this manner.

Your obedient servant,  
W. H. L.

[If the first bill had not been delivered up, we think the acceptor could have been sued—*Bell v. Buckley*, 25 Law Journal, Exchequer, 163. There may be some difficulty in suing the acceptor for the bill itself, as it is not stated to have been returned to him. If the possession of the bill cannot be obtained, we think that it might perhaps be treated as a lost bill, and that with the aid of the "Common Law Procedure Act, 1854," section 87, the amount might be recovered.]

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## Notes of the Month.

**THE HASTINGS OLD BANK FAILURE.**—The liabilities of the bank are stated not to exceed £150,000, while the actual note circulation (limited by the act of 1844 to £38,038) is thought not to be more than about two thirds of that amount, namely, £25,000. Various rumours are afloat as to the probable dividend that may be paid, and 10s., 12s., 15s., and even 20s. in the pound are spoken of. The latter amounts are, however, it is to be feared, hardly to be expected; and, taking into consideration the cost of realising the assets and securities of a long established bank, and the unfavourable conditions under which such realisation must necessarily now be conducted, it would be unwise on the part of creditors to indulge in too sanguine an estimate. At the same time, it is but right to state that the parties most competent to form a judgment on the point, speak with hope of a substantial dividend. Under any circumstances, holders of notes, or creditors in other respects, will do wisely not to enter into precipitate bargains in order to effect an immediate realisation. We have given our own version of this painful event, on authority on which we have every reason to place reliance. But, although it is doubtless entirely true that the stoppage of the bank may be



more or less immediately traceable to the losses sustained through Mr. R. Smith, and to the involvement of two of the partners (his brothers) through the same agency, yet it would certainly seem that had the assets of the bank been compromised in no other direction, the involvements of the three brothers could scarcely be of a magnitude to destroy by their own weight an establishment so firmly fixed, and with such extensive and deeply-founded connections as that in question. The natural impression is that the advances made by the bank in other directions must have been tinged by the like insecure character; and when it is remembered for how extended a period severe distress prevailed among the hop planters some years since, in consequence of the low prices of agricultural produce, short crops of corn, and superabundant growth of hops, entailing a perfectly crushing pressure from the hop duty—we say, when all these points are considered, it is difficult to avoid the conclusion that the bank was led—if not comparatively forced—into numerous advances, which recent years have failed to wipe off. These advances, coupled with the state of things above detailed, will more satisfactorily account for the failure of the Hastings Bank, than the loss, however heavy, by two or three individual accounts, albeit the climax may have been occasioned by the latter.—*Sussex Advertiser* of June 20.

**EAST INDIA ACCOUNTS.**—The total receipts of the Home Treasury of the East India Company in the year ended 30th of April last, appear to have amounted to £4,510,367, *plus* £3,431,553 (the balance in favour of the opening of the financial year). The total disbursements amounted to £6,899,977, leaving a balance in favour, on the 30th of April last, amounting to £3,041,944. The estimated receipts of the Home Treasury for the year ending 30th of April, 1858, amount to £11,649,357 (including the balance on the old account), and the disbursements to £4,930,330, leaving an estimated balance in favour on the 30th of April, 1858, of £2,719,057. The debts of the Indian Government in England on the 1st of May last amounted to £9,377,401, and the credits to £5,488,467, leaving debts in excess of £3,888,934. The establishments of the company in England entail a yearly charge of £133,622 for the service of 525 *employés*; and the amount of new or increased salaries created or granted between the 1st of May, 1856, and the 1st of May, 1857, is £6,467.

**JOINT-STOCK COMPANIES BANKING BILL.**—A general meeting, convened by circular, was held on the 14th of July, at the London Tavern, of deputies from the joint-stock banks of England, Wales and Ireland, for the purpose of taking into consideration the Joint-stock Companies Banking Bill, brought forward by Mr. Lowe. At this meeting it was announced, as the result of the interview which has taken place between Mr. Lowe and a deputation on the subject, that joint-stock banks formed prior to the passing of Peel's Act are not intended to be included within the operation of the bill, unless they should specially apply for registration under it. Power to this effect is to be given in the bill. The London banks classed in this category are, it will be remembered, the London and Westminster, the Union Bank of London, the London Joint-Stock Bank, the London and County Bank, and the Commercial Bank. This intimation of Mr. Lowe's, however, is directly counter to all the impressions previously entertained respecting the scope and object of his bill.

**THE NEW ZEALAND GOLD FIELDS.**—Messrs Nicholson and Ridings, of Nelson, New Zealand, in their gold circular, dated the 14th of March, says:—"From the date of our last circular (26th ult.) to the 10th instant, the produce of the Aorere gold-fields is stated to be, at a moderate estimate, 150 ounces, of which over 50 ounces have reached Nelson. The number of diggers at that date was about 105, one-third of whom had very recently arrived. The average yield per man, therefore, gives good wages, and we have not heard of a goldfield where success is more evenly distributed. From a gully on this side the great dividing range, and within a short distance of Motueka (a small settlement within eighteen miles by water from the town) eighteen pennyweights of gold have this week been received. This sample is rounder than any other we have



yet seen. It was in the neighbourhood of the place where this sample was found that, during last winter, the first indications of the existence of gold in the provinces were met with. From the Takaka Valley, which is also on the east side of the range, a few grains of gold have been brought into town, and a party has gone out to prospect that country more fully. We have in these facts an evidence that the washings from both sides of the range, on the west at the Aorere, and on the east of the Takako and Motueka, contain gold; and this, taken in connection with the highly auriferous appearance of the mountains, leads to the reasonable presumption that the whole range will be found gold-producing. It may be taken as a very favourable indication, that the nearer to the high mountains the diggers proceed, the larger become the particles of gold. Some men have sold to our correspondent at the Aorere an ounce taken from a gully about two miles nearer to the range, about which he writes that 'it is quite a different character of gold; it is a much larger-grain, and darker in colour.' On the 20th of the same month they supplement the following:—"The advices to-day from our gold-fields we may briefly state to be that success had been during the past week very general among the 300 men engaged in digging, though some had been altogether unsuccessful, and that the yield for the week was over 200 ounces. Of this we have ourselves obtained more than one-half, but for the remainder were overbidden. Our own purchases to date amount to 200 ounces."

### MONTHLY CHRONOLOGY.

July 13.—Intelligence received by telegraph of the great spread of the insurrection in the Bengal army, and the death of General Anson, the commander-in-chief, by cholera.

16.—The Directors of the Bank of England announced a reduction in their rate of discount from 6 to  $5\frac{1}{2}$  per cent.

16.—At a meeting of the creditors of Mr. G. B. Rocca, who failed on the 31st December last, with liabilities amounting to £77,000, it was agreed to accept a composition of 4s. 6d. in the pound.

20.—Suspension announced of Messrs. Henry Schwabe and Co., merchants, of Liverpool, with debts estimated at £60,000.

24.—The Bank of France reduce their rate of interest on advances upon Public Securities from 6 to  $5\frac{1}{2}$  per cent.

27.—Suspension announced of Mr. J. P. Giustiniani, in the Greek trade; his liabilities are estimated at about £400,000.

### BANK MOVEMENTS.

Mr. Lowe's bill, by which banks established since September, 1844, are to be brought under the provisions of the Joint-Stock Acts, 1856-57, which includes facilities for winding-up, has passed. In our next number we shall fully enter into this topic.

It is stated that two influential railway companies have secured loans for a large amount, at the rate of  $4\frac{1}{2}$  per cent., for a period of five years.



### MERCANTILE SUSPENSIONS.

THERE are only two mercantile failures to report this month ; they are as follows :—

July.—Mr. H. Schwabe, Liverpool, broker.

Mr. J. P. Giustiniani, London, merchant.

In the case of Mr. Schwabe, it is estimated that the liabilities represent £60,000 ; and it appears that the composition offered is 6s. 8d. in the pound. The debts and liabilities of Mr. Giustiniani amount to between £300,000 and £400,000, but great doubts are entertained of the nature of the assets. Large speculative transactions in tallow, corn, and public securities, are stated to have assisted in producing his suspension.

## Monetary Intelligence.

### REVIEW OF THE MONEY MARKET FOR THE MONTH OF JULY, 1857.

THE position of commercial and financial affairs during the past month has been satisfactory, and the large influx of gold from Australia and America has enabled the Bank directors to reduce the rate of discount to 5½ per cent. At the same time, the authorities of the Bank of France have exhibited a disposition to relax their restrictive measures ; and while they have lessened the rate of interest on treasury bonds, they have also reduced the rate for advances on public securities from 6 to 5½ per cent. These features would, under ordinary circumstances, have assisted an upward movement in prices ; but the alarm occasioned by the spread of the insurrection in India has not alone checked a rise, but has produced a contrary effect, and stimulated sales on the part of speculators, through which a fall of at least 1 per cent. has accrued. Great anxiety is evinced to ascertain the probable result of the outbreak upon the financial resources of the East India Company ; and until some information shall have transpired the uneasiness lately apparent will continue. Everything in other respects is favourable to an amelioration of the Money Market—the accounts of the crops in England, throughout Europe, and in America being of the most gratifying character ; and should a repression of the turbulent spirit exhibited among the native troops be effected without any great pecuniary sacrifice, there is still hope of the rate of discount receding to 5 per cent., or even a fraction below that point. The joint-stock banks now only allow 4½ per cent. for deposits, and the bill-brokers 4½ per cent. for money on call. The movements in the precious metals during the past month have comprised imports to the amount of £2,920,000, against exports reaching £2,560,000.

The variation in the English funds has not exceeded 1½ per cent. while the actual decline has been about 1 per cent. This was to have been anticipated from the character of the India news, and the anxiety to ascertain the prospect of future accounts. The reduction in the Bank's rate of discount and in the increased ease in the Money Market would have, no doubt, caused a further improvement in the value of Consols ; but a heavy "bull" account being open, and the advices by the Overland Mail being doubtful, there has been a succession of sales, which have caused this depression. Exchequer bills from 1s. premium have descended to 10s. discount, but are now again rather firmer.



Although in Foreign Stocks the transactions have been limited, the speculators continue to sell stock. Turkish is rather lower, and there is little expectation of a recovery while Greek failures take place, and it remains the medium for extensive gambling. Russian has advanced about 2 per cent., and the quotation is firm at the improvement. Spanish has receded from 42 to 40, sales having been pressed on account of Madrid financiers. Mexican and Peruvian are steady, with an average amount of business.

In the Railway Share Market there has been a tendency to decline, but prices are not so low as they were in the middle of the month. There was then great depression, but the public have since come in as purchasers, and quotations have somewhat recovered. East Indian Shares have dropped nearly 9 per cent., but should favourable intelligence arrive, there will be a strong rebound. French Shares have been also seriously affected, the state of business on the Bourse having caused a severe depreciation.

Joint-Stock Bank Shares have also been weak, and now the principal dividends have been declared, there is a slight reaction in prices. Except at stated intervals, there is not much activity in these securities.

The Produce Markets have exhibited some activity. Indigo and Saltpetre have advanced. There has also been some activity in Tea. Sugar and Coffee are articles which have been less extensively dealt in.

				Price on June 29.	Highest..	Lowest.	Price on July 27.
<b>ENGLISH FUNDS.</b>							
Consols	...	...	...	92½-92¾xd	92¾ x d.	91½	91½-91¾
Exchequer bills	...	...	...	10s. dis. to 3s. dis.)	1s. pm.	10s. dis.	6s.-1s d.
<b>FOREIGN STOCKS.</b>							
Brazilian	...	...	...	100½	101½	100½	101
Chilian	...	...	...	102	103	102	102½
Dutch, 2½ per cent.	...	...	...	65½	65½	63½	64½
Mexican	...	...	...	22½	22½	22	22½
Peruvian, 4½ per cent.	...	...	...	80½	84	79½	81
Russian	...	...	...	110½	111	109	111
Spanish	...	...	...	41½	42	40	40½
Turkish, 6 per cent.	...	...	...	96	96½	93½	94½
Ditto, 4 per cent.	...	...	...	102	102½	101½	102½
<b>RAILWAY SHARES.</b>							
Brighton	...	...	...	113½	113½	110½	112
Caledonian	...	...	...	74½	77½	74½	75½
Eastern Counties	...	...	...	11½	11½	11½	11½
Great Northern	...	...	...	98½	100	98	97½
Great Western	...	...	...	64½	65½	63½	63½
Lancashire and Yorkshire...	...	...	...	100½	101½	100	100½
London and North Western	...	...	...	103½	104	102½	103½
Midland	...	...	...	83½	84½	83½	83½
South Eastern	...	...	...	74½	75½	74	74½
South Western	...	...	...	101½	102½	100	100½
York, Newcastle, and Berwick	...	...	...	91½	93	90½	92
York and North Midland	...	...	...	71	74½	70½	74½
East Indian...	...	...	...	107½	108½	99½ x int.	99½ x int
Northern of France	...	...	...	—	38½	32	33½



## THE GRAIN TRADE.

THE highly favourable state of the weather, and the fall which has occurred in the value of grain, have caused future prospects to be regarded with greater consideration. There is now an impression that the quotations for the present are likely to rule at a decline, the returns, both from the Continent and the United States, showing anticipated abundance. It will be noticed that the downward movement has been progressive, and that the supplies have latterly increased.

The *Gazette* returns for England and Wales have been :—

Week ending 1857.		Wheat. Qrs. sold.	...	Weekly Average.		...	Six Weeks' Average.		...	Duty.		...	Corresponding Six Weeks. Last Year.	
				s.	d.		s.	d.		s.	d.		s.	d.
June 27	.....	120,368	...	61	6	...	59	3	...	1	0	...	69	3
July 4	.....	83,096	...	63	5	...	60	3	...	1	0	...	70	2
" 11	.....	75,992	...	63	10	...	61	3	...	1	0	...	71	6
" 18	.....	81,704	...	63	8	...	62	1	...	1	0	...	72	11

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grain. Qrs.	Total Qrs.
Forty-eight weeks ended 17th June ...	3,742,020	3,411,402	7,153,422
Four weeks ended 15th July ...	195,406	258,115	453,521
	<hr/> 3,937,426	<hr/> 3,669,517	<hr/> 7,606,943

And the *weekly averages* have been :—

Forty-eight weeks ended 17th June ...	78,000	71,000	149,000
Four weeks ended 15th July ...	49,000	64,000	113,000
	<hr/> Less 29,000	<hr/> 7,000	<hr/> 36,000

## STATE OF TRADE.

BUSINESS in the manufacturing districts has not been extensive ; and a check has been given to operations through the unfavourable character of the news from India. In other respects, there is a moderate amount of activity, with an increase of orders.

## NOTICES TO CORRESPONDENTS.

ONE or two letters stand over, as well as reports of the Western Bank of London and some provincial banks.

Editorial communications should, in future, be addressed to the Editor of the *Bankers' Magazine*, 8, Birchin Lane, Cornhill, although orders for the publication, remittances, &c., may be forwarded as usual to Messrs Groombridge and Sons, Paternoster Row. Correspondents will please remember that letters, to ensure punctual attention, must be sent in by the 20th of the month.

P. S.—(Glasgow.) The suggestion has not been overlooked, and will be attended to next month.

VERAX.—No question can be entertained respecting the ultimate result ; present appearances are, however, unfavourable.

JUNIOR CLERK.—The opportunity cannot be retrieved, and it is feared the vacancies are all filled.



THE ENGLISH FUNDS.—Daily Prices from 27th June, to 26th July, 1857, inclusive.

	27	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	20	21	22	23	24	25	26	27	28
Bank Stock, div. 4 p.c. per year	213	212½	212½	213	213	213	214	214	214	214	214	214	214	214	214	214	215	215	215	215	215	216	216	216	216	216	216	216	216	216
3 per Ct. Red. Anna.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
3 per Ct. Cons. Anna.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
New 3 per cent. Anna.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
New 2½ per cent.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
New 2½ per cent.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Long Anna, Jan. 5, 1860	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto 30 years, Oct. 10, 1859	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto 30 years, Jan. 5, 1860	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto 30 years, Apr. 5, 1865	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
India Bonds (div. 104 percent.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Do. Bonds £1000 (div. 4 p.c.)	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto, under £500	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
3 p. Ct. Cons. for acc. 9th July	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto for account 6th Aug.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto for opening 17th July	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ex. Bills £1000, 24th. per diem	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto, £500 do.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto, Small do.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto Advertised	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto Bonds A 1858 3½ p.c.	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto under £1000	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto B 1859	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½
Ditto under £1000	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½	92½

JOINT-STOCK BANKS.

	London	Latest Prices
Australasia	£40 sh., £40 p.d.	£40
British North American	50	50
Bank of London	100	100
Commercial of London	100	100
Colonial	100	100
City Bank	100	100
London and Westminster	100	100
London Joint Stock	100	100
Oriental Bank	100	100
Provincial of Ireland	100	100
National Bank	100	100
National Provincial of England	100	100
South Australian	100	100
Union of Australia	100	100
Union of London	100	100
London and County	100	100
London Chartered of Australia	100	100
Bank of India, & Austr. Chartered	100	100
New South Wales	100	100
Bank of Egypt	100	100
Ottoman Bank	100	100

FOREIGN STOCKS

	(27th July.)
Brazilian Bonds, 5 per Cent.	101½
Chilian Bonds, 6 per Cent.	101½
Danish 5 per Cent.	101½
Mexican 3 per Cent.	101½
Peruvian 4½ per Cent.	101½
Portuguese Bonds, 3 per Cent.	101½
Russian Bonds, 1852, 5 per Cent. in £ Ster.	101½
Ditto, 4½ per Cent.	101½
Spanish Bonds 3 per Cent.	101½
Ditto, 3 per Cent. Deferred	101½
Turkish 6 per Cent.	101½
(Dividends on the above payable in London.)	
Dutch 2½ per Cent.	101½
Ditto 4 per Cent. Loan	101½
French 4½ per Cent., at Paris, July 27, 95.	101½
Ditto 3 per Cent., ditto	101½

RAILWAY SHARES.

	COMPANY.	PAID UP	PRICES
			July 27.
			June 27.
	Caledonian..	100	74½
	Eastern Counties..	100	111½
	Great Northern..	100	98½
	Great Western..	100	64½
	London and Blackwall..	13½	6½
	London and Brighton..	100	113
	North-West..	100	103½
	Midland..	100	101½
	South-Eastern..	100	88½
	York, Newcastle, & Berwick..	100	75½
	York & North Midland..	100	93
			74½

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Amount, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows:—

## ISSUE DEPARTMENT.

	1857. June 13th.	1857. June 20th.	1857. June 27th.	1857. July 4th.
Notes issued.....	£ 24,696,375	£ 24,911,630	£ 25,179,250	£ 25,341,280
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	3,459,900	3,459,900	3,459,900	3,459,900
Gold coin and bullion.....	10,381,375	10,436,630	10,704,250	10,866,280
Silver bullion.....	—	—	—	—
	24,696,375	24,911,630	25,179,250	25,341,280

## BANKING DEPARTMENT.

	1857. June 13th.	1857. June 20th.	1857. June 27th.	1857. July 4th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,333,494	3,333,074	3,368,670	3,410,611
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts).....	7,603,966	7,790,602	8,243,237	7,863,550
Other deposits.....	9,441,178	9,398,594	9,134,333	9,658,616
Seven day and other bills.....	683,761	648,942	677,021	678,610
	35,617,399	35,653,212	36,026,200	36,164,327
Government securities (including Dead Weight Annuities).....	10,326,131	10,327,222	10,327,222	10,326,065
Other securities.....	18,679,196	18,461,963	18,067,596	18,315,201
Notes.....	5,924,190	6,107,805	6,836,550	5,873,745
Gold and silver coin.....	687,890	726,222	674,623	650,570
	35,617,399	35,653,212	36,026,200	36,164,327

## The Exchanges.

	June 5th.	June 12th.	June 19th.	June 26th.
Amsterdam, short ..	11 18	11 18	11 18	11 18
Ditto 3 months..	12 0½	12 0½	12 0½	12 0½
Rotterdam, ditto ..	12 0½	12 0½	12 0½	12 0½
Antwerp, ditto ..	25 52½	25 55	25 55	25 55
Brussels, ditto ..	25 52½	25 55	25 55	25 55
Hamburg, ditto....	13 8½	13 8½	13 8½	13 8½
Paris, short ..	25 35	25 32½	25 32½	25 32½
Paris, 3 months ..	25 75	25 75	25 73½	25 70
Marseilles, ditto ..	25 75	25 75	25 75	25 73½
Frankfort, ditto ..	119½	119½	119½	119½
Vienna, ditto.....	10 36	10 34	10 34	10 31
Trieste, ditto.....	10 37	10 35	10 35	10 32
Petersburgh, ditto ..	36½	36½	37	37
Madrid, ditto ..	48½	49	48½	48½
Cadix, ditto ..	49½	49½	49½	49½
Leghorn, ditto ..	29 70	29 70	29 77½	29 85
Genoa, ditto ..	25 85	25 88½	25 85	25 82½
Naples, ditto.....	43	42½	42½	42½
Palermo, ditto ..	120½	120	120½	120½
Messina, ditto ..	120½	120½	120	120½
Lisbon, ditto ..	52½	52½	52½	52½
Oporto, ditto ..	52½	52½	52½	52½
Rio Janeiro 60 dys. 'dte	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£3 17 9	£3 17 9	£3 17 9	£3 17 9
(Standard) .....	0 0 0	0 0 1	0 0 1	0 0 0
Mexican Dollars .....	0 0 0	0 0 0	0 0 0	0 0 0
Silver in Bars (Stand.)..	0 0 0	0 0 1½	0 0 0	0 0 0



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTE.

## PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		June 18.	June 20.	June 27.	July 4.
	£	£	£	£	£
1 Andover Bank .....	17,751	10,748	11,202	11,514	11,174
2 Ashford Bank .....	11,849	10,475	10,447	9,843	11,226
3 Aylesbury Old Bank .....	48,461	28,915	28,512	27,819	28,289
4 Baldock and Biggleswade Bank ...	37,223	30,411	29,264	28,365	27,500
5 Barnstaple Bank .....	17,182	9,203	8,740	8,574	8,704
6 Basingstoke and Odiham Bank ...	24,730	22,733	22,852	22,526	22,723
7 Bedford Bank .....	34,218	32,258	32,008	33,178	32,796
8 Bewdley Bank .....	18,597	10,653	10,100	10,677	10,528
9 Bicester and Oxfordshire Bank ...	27,090	15,238	15,670	14,368	14,789
10 Birmingham Bank—Attwoods & Co.	23,695	22,441	22,654	24,048	23,420
11 Birmingham and Warwickshire Bk.	18,132	8,002	7,203	6,959	8,247
12 Blandford Bank .....	9,723	6,616	6,613	6,602	6,710
13 Boston Bank—Garfit and Co. ....	75,069	66,958	68,020	70,793	74,432
14 Boston Bank—Gee and Co. ....	15,161	15,158	14,714	14,781	14,297
15 Bridgewater Bank .....	10,028	8,043	7,888	8,169	7,428
16 Bristol Bank .....	48,277	31,255	29,769	30,014	30,909
17 Broseley and Bridgenorth Bank ...	26,717	17,040	16,630	15,589	16,314
18 Buckingham Bank .....	29,557	21,587	21,176	20,913	20,465
19 Bury and Suffolk Bank .....	82,362	64,670	64,716	63,294	64,044
20 Banbury Bank .....	43,457	33,987	33,736	33,935	33,676
21 Banbury Old Bank .....	55,153	28,450	28,411	28,808	27,545
22 Bedfordshire Leighton Buzzard Bk.	36,819	35,252	34,542	35,530	36,206
23 Birmingham Bk.—Lloyds & Co. ...	38,816	29,718	29,938	30,840	30,140
24 Bradford Old Bank .....	12,676	12,537	12,551	11,989	12,609
25 Brecon Old Bank .....	68,271	57,289	59,555	58,805	62,262
26 Brighton Union Bank .....	33,794	18,040	17,798	19,127	19,392
27 Burlington and Driffield Bank .....	12,745	12,079	11,981	12,570	12,355
28 Bury St. Edmund's Bank .....	3,201	3,052	2,904	2,875	2,823
29 Cambridge Bk.—Mortlock & Co.	25,744	12,855	12,300	12,111	13,050
30 Cambridge and Cambridgeshire Bk.	49,916	49,562	50,255	49,490	48,893
31 Canterbury Bank .....	33,671	29,653	29,903	29,256	30,069
32 Carmarthen Bank .....	23,597	21,448	21,406	21,074	20,825
33 Chertsey Bank .....	3,436	3,069	3,008	2,837	2,804
34 Colchester Bank .....	25,082	17,394	17,191	16,840	16,691
35 Colchester and Essex Bank .....	48,704	33,725	33,844	33,429	33,260
36 Cornish Bank—Tweedy & Co. ...	49,869	44,924	44,415	46,793	47,544
37 Coventry Bank .....	12,045	7,234	6,755	6,606	6,825
38 City Bank, Exeter .....	21,527	21,394	20,905	20,930	20,673
39 Craven Bank—Alcocks & Co. ...	77,154	73,280	72,164	71,352	71,605
40 Chepstow Old Bank .....	9,387	8,489	7,613	8,841	9,579
41 Derby Bank—Messrs. Evans .....	13,332	12,852	12,406	11,997	12,212
42 Derby Bank—Smith and Co. ....	41,304	36,030	34,524	34,258	32,308
43 Derby Old Bank .....	27,237	25,617	25,161	25,708	26,981
44 Devizes and Wiltshire Bank .....	20,674	7,816	7,798	7,780	8,198
45 Diss Bank .....	10,657	9,881	10,074	10,096	10,506
46 Doncaster Bank and Retford Bank	77,400	67,469	67,875	67,530	70,041
47 Darlington Bank .....	86,218	82,362	81,500	79,926	82,830
48 Devonport Bank .....	10,664	9,277	9,287	9,139	9,230
49 Dorchester Old Bank .....	48,807	46,037	46,165	46,698	47,160
50 East Cornwall Bk.—Robins & Co.	112,280	95,758	94,463	94,378	93,767
51 East Riding Bank—Bower & Co.	53,392	50,263	50,514	51,465	52,300
52 Essex Bk. & Bishops Stortford Bk.	69,637	42,522	43,085	42,389	43,827
53 Exeter Bank .....	37,894	25,044	24,983	25,418	27,824
54 Faringdon Bk. & Bk. of Wantage	8,977	8,166	8,393	8,341	8,254
55 Farnham Bank .....	14,202	10,704	10,380	10,986	11,270
56 Faversham Bank .....	6,681	5,697	5,736	5,682	5,851
57 Godalming Bank .....	6,322	4,753	4,975	5,030	4,775



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		June 12.	June 20.	June 27.	July 4.
	£	£	£	£	£
58 Guildford Bank .....	14,524	13,561	13,039	13,300	13,610
59 Grantham Bank—Hardy and Co. ....	30,372	25,022	25,530	25,454	25,356
60 Hastings Old Bank .....	38,038	25,485	25,270	25,404	
61 Hereford City and County Bank..	22,364	16,876	16,165	16,284	18,124
62 Hull & Kingston-upon-Hull Bank ..	19,979	18,638	19,355	19,891	20,300
63 Huntingdon Town & County Bank ..	56,591	52,165	50,964	49,914	47,541
64 Harwich Bank .....	5,778	4,980	4,770	4,804	5,297
65 Hertfordshire, Hitchin Bank .....	38,764	33,154	33,455	34,102	32,897
66 Hereford, Ross, & Archenfield Bk.	27,625	23,183	23,558	23,876	24,293
67 Ipswich Bank .....	21,901	20,512	20,892	19,965	19,709
68 Ipswich & Needham Market Bank ..	80,699	60,544	62,131	62,580	62,235
69 Kentish Bank—Mercer & Co. ....	19,895	10,972	10,269	10,206	10,435
70 Kington and Radnorshire Bank...	26,050	25,579	25,955	25,585	24,520
71 Knaresborough Old Bank .....	21,825	21,127	20,885	20,953	20,315
72 Kendal Bank .....	44,663	44,867	43,802	42,634	42,466
73 Longton Staffordshire Bank .....	5,624	5,208	5,211	5,196	5,256
74 Leeds Bank .....	53,357	54,844	53,936	52,767	51,810
75 Leeds Union Bank .....	37,459	36,526	36,969	37,535	38,605
76 Leicester Bank .....	32,322	29,607	28,569	28,391	28,207
77 Lewes Old Bank .....	44,836	23,220	24,127	24,650	23,410
78 Lincoln Bank .....	100,342	87,224	86,615	88,343	89,835
79 Llandoverly Bank & Llandilo Bank ..	32,945	28,245	27,363	25,559	24,667
80 Loughborough Bank .....	7,359	7,577	7,610	7,220	6,974
81 Lymington Bank .....	5,038	3,990	3,812	3,800	4,017
82 Lynn Regis and Lincolnshire Bank ..	42,817	38,336	36,797	35,960	37,629
83 Lynn Regis and Norfolk Bank ...	13,917	13,580	14,056	13,696	12,970
84 Macclesfield Bank .....	15,760	14,228	13,988	14,141	14,720
85 Manningtree Bank .....	7,692	505	303	201	888
86 Merionethshire Bank .....	10,906	9,400	9,312	8,655	7,768
87 Miners' Bank .....	18,688				
88 Monmouthshire Agricultural and Commercial Bank .....	29,335	16,764	16,956	18,162	19,124
89 Monmouth Old Bank .....	16,385	31,548	27,782	25,767	26,764
90 Newark Bank .....	28,788	15,014	15,824	16,997	16,010
91 Newark and Sleaford Bank .....	51,615	24,397	23,258	21,887	20,430
92 Newbury Bank .....	36,787	48,848	49,420	48,271	47,830
93 Newmarket Bank .....	23,098	18,481	18,783	18,794	19,043
94 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	18,452	18,567	18,090	17,810
95 Norwich and Norfolk Bank .....	105,519	46,569	46,282	47,093	47,749
96 Nottingham, Nottinghamshire ...	10,866	102,107	103,761	104,435	102,057
97 Nuneaton Bank .....	5,898	9,294	9,636	9,415	9,299
98 Naval Bank, Plymouth .....	27,321	3,306	3,205	2,916	3,045
99 New Sarum Bk.—Everett & Smith ..	15,659	20,326	19,750	19,174	19,879
100 Nottingham Bank .....	31,047	8,505	8,253	8,274	8,591
101 Oswestry Bank .....	18,471	31,757	31,082	30,020	30,465
102 Oxford Old Bank .....	34,391	13,347	12,181	12,013	12,245
103 Old Bank, Tonbridge .....	13,183	31,140	32,195	33,965	34,994
104 Oxfordshire Witney Bank .....	11,852	7,514	7,587	7,300	7,676
105 Pease's Old Bank, Hull .....	48,807	10,534	10,603	10,718	10,693
106 Penzance Bank .....	11,405	47,172	47,998	48,037	47,872
107 Peterborough Bank—Yorke & Co. ....	12,545	9,722	9,511	9,585	9,813
108 Pembrokeshire Bank .....	12,910	9,360	8,526	8,452	8,690
109 Reading Bank—Simmonds & Co. ....	37,519	12,440	13,215	12,690	12,704
110 Reading Bk.—Stephens & Blandy ..	43,271	30,115	30,206	30,434	29,776
111 Richmond Bank, Richmond .....	6,889	28,605	28,516	29,377	30,501
112 Rochdale Bank .....	5,590	6,670	6,581	6,358	6,330
113 Rochester, Chatham, & Strood Bk. ....	10,480	3,760	4,153	4,341	4,390
114 Royston Bank .....	16,393	7,255	6,851	7,417	8,569
115 Rugby Bank .....	17,250	12,977	12,725	12,389	11,958
116 Rye Bank .....	29,864	8,178	8,295	8,514	9,343
		10,810	10,478	10,480	10,612



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		June 13.	June 20.	June 27.	July 4.
	£	£	£	£	£
117 Ross Old Bank, Herefordshire ...	4,420	4,374	4,236	4,532	4,550
118 Saffron Walden & North Essex Bk.	47,646	25,751	25,665	25,227	25,877
119 Salop Bank .....	22,338	15,843	14,756	15,089	15,435
120 Scarborough Old Bank .....	24,813	21,473	21,761	22,735	22,239
121 Shrewsbury Old Bank.....	43,191	39,111	37,924	37,861	38,216
122 Sittingbourne and Milton Bank...	4,789	2,799	2,734	2,335	2,631
123 Southampton Town & County Bk.	18,589	10,451	10,404	10,346	11,765
124 Southwell Bank .....	14,744	12,244	11,544	11,223	10,504
125 Southampton and Hampshire Bk.	6,770	2,965	2,900	2,824	3,051
126 Stone Bank .....	9,154	325	325	325	325
127 Stafford Old Bank .....	14,166	12,656	12,041	12,745	12,983
128 Stamford and Rutland Bank .....	31,858	27,544	26,529	26,712	26,325
129 Shrewsbury and Welsh Pool Bank	25,336	25,100	24,340	25,454	24,053
130 Taunton Bank .....	29,799	24,336	24,094	23,342	23,726
131 Tavistock Bank .....	13,421	10,073	9,053	8,415	8,374
132 Thornbury Bank .....	10,026	8,527	8,784	8,390	8,440
133 Tiverton and Devonshire Bank ...	13,470	11,959	12,553	12,509	12,944
134 Thrapstone and Kettering Bank..	11,559	11,022	11,465	11,240	11,244
135 Tring Bank and Chesham Bank..	13,531	12,705	12,896	13,012	13,830
136 Towcester Old Bank .....	10,801	7,045	6,802	6,887	6,810
137 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	9,224	9,231	9,417	9,088
138 Union Bank, Cornwall .....	17,003	16,748	15,024	15,493	16,145
139 Uxbridge Old Bank .....	25,136	11,073	11,691	11,747	11,912
140 Wallingford Bank .....	17,064	8,460	8,465	8,305	8,170
141 Warwick and Warwickshire Bank	30,504	23,018	22,793	22,434	23,173
142 Wellington Bank, Somerset .....	6,528	3,043	3,481	4,238	4,968
143 West Riding Bank .....	46,158	45,977	45,929	45,143	46,283
144 Whitby Old Bank .....	14,258	13,290	12,845	12,842	13,935
145 Winchester, Alresford & Alton Bk.	25,892	15,585	15,242	15,430	15,113
146 Weymouth Old Bank .....	16,461	14,465	14,045	14,159	14,551
147 Wirksworth and Derbyshire Bk.	37,602	35,323	35,113	34,096	34,806
148 Wisbeach and Lincolnshire Bank	59,713	53,096	51,342	50,678	49,318
149 Wiveliscombe Bank.....	7,602	6,305	6,363	5,938	5,692
150 Wolverhampton Bk.—Goodricke	14,180	10,114	8,426	7,164	7,685
151 Worcester Bank .....	15,463	4,379	4,385	4,230	4,483
152 Worcester Old Bank .....	87,448	58,638	58,608	58,561	60,396
153 Wolverham. Bk.—R. & W. Fryer	11,867	9,533	9,414	9,400	9,330
154 Yarmouth and Suffolk Bank .....	53,060	40,560	40,313	42,159	45,111
155 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,325	12,226	12,406	12,669
156 York Bank .....	46,387	40,901	39,421	40,132	39,647

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	10,901	10,392	9,917	9,254
2 Barnsley Banking Company .....	9,563	9,289	9,130	9,300	8,815
3 Bradford Banking Company .....	49,292	49,095	49,788	49,029	48,724
4 Bilston District Banking Company	9,418	9,415	9,145	8,695	9,502
5 Bank of Whitehaven.....	32,681	30,027	29,602	28,412	28,439
6 Bradford Commercial Banking Co.	20,084	19,728	20,445	20,170	19,745
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	54,355	53,693	52,377	50,544



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		June 18.	June 20.	June 27.	July 4.
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	9,193	9,362	9,324	10,164
9 Cumberland Union Banking Co....	35,395	35,168	34,829	34,584	35,180
10 Coventry and Warwickshire Bk. Co.	28,734	25,538	26,085	26,557	26,426
11 Coventry Union Banking Company	16,251	12,999	12,752	13,095	14,397
12 County of Gloucester Banking Co.	144,352	109,254	107,947	107,110	107,125
13 Carlisle & Cumberland Banking Co.	25,610	25,323	26,068	25,365	25,002
14 Carlisle City and District Bank ...	19,972	20,432	20,477	19,557	18,823
15 Dudley & West Bromwich Bk. Co.	37,696	35,875	35,596	37,747	37,438
16 Derby and Derbyshire Banking Co.	20,093	18,670	19,748	20,055	20,076
17 Darlington Dist. Joint Stock Bk. Co.	26,134	25,535	25,715	26,865	25,564
18 East of England Bank .....	25,025	24,310	24,593	24,994	24,553
19 Gloucestershire Banking Company	155,920	147,349	146,240	144,260	145,799
20 Halifax Joint Stock Bank .....	18,534	18,590	18,721	18,390	18,085
21 Huddersfield Banking Company....	37,354	34,820	35,665	34,680	33,903
22 Hull Banking Company .....	29,333	23,060	23,006	23,144	23,678
23 Halifax Commercial Banking Co....	13,733	14,048	13,526	13,401	13,550
24 Halifax & Huddersfield Union Bk.	44,137	42,880	42,733	42,294	41,830
25 Helston Banking Company .....	1,503	1,423	1,547	1,512	1,329
26 Herefordshire Banking Company....	25,047	22,688	23,690	24,631	26,720
27 Knaresborough and Claro Bk. Co.	28,059	27,615	27,337	28,625	27,541
28 Kingsbridge Joint Stock Bank ....	3,952	2,861	3,173	3,200	3,024
29 Lancaster Banking Company .....	64,311	60,298	56,987	53,793	52,821
30 Leeds Banking Company .....	23,076	22,977	23,440	22,835	22,620
31 Leicestershire Banking Company....	86,060	70,148	69,049	69,129	68,910
32 Lincoln and Lindsey Banking Co....	51,620	46,265	49,881	52,060	51,452
33 Leamington Priore and Warwick- shire Bank .....	13,875	10,971	10,070	9,850	10,143
34 Ladlow and Tenbury Bank .....	10,215	9,978	10,316	10,635	9,688
35 Moore & Robinson's Notts. Bank....	35,813	32,138	31,686	33,166	37,263
36 Nottingham and Notts. Banking Co.	29,477	27,724	27,002	26,637	27,125
37 National Provincial Bk. of England	442,371	419,464	417,568	424,752	430,841
38 North Wilts Banking Company ...	63,939	39,068	38,743	37,972	37,679
39 Northamptonshire Union Bank ...	84,356	75,618	73,918	74,365	77,055
40 Northamptonshire Banking Co. ....	26,401	19,825	19,136	18,910	18,964
41 North and South Wales Bank .....	63,951	58,332	57,735	59,440	57,025
42 Pare's Leicestershire Banking Co....	59,300	50,089	49,659	48,835	50,096
43 Saddleworth Banking Company ....	8,122	1,837	1,837	1,773	1,765
44 Sheffield Banking Company .....	35,843	34,859	34,148	34,878	36,499
45 Stamford, Spalding & Boston Bk. Co.	55,721	50,485	50,141	48,589	48,973
46 Stuckey's Banking Company .....	356,976	327,435	322,136	322,007	321,887
47 Shropshire Banking Company .....	47,951	44,545	46,048	46,874	49,639
48 Stourbridge and Kidderminster Bk.	56,830	56,733	57,420	56,474	56,323
49 Sheffield and Hallamshire Bank ...	23,524	21,983	23,214	22,707	21,975
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	50,804	50,373	50,093	49,851
51 Swaledale and Wensleydale Bank..	54,372	52,217	50,954	50,391	48,780
52 Wolverhampton & Staffordsh. Bk.	35,378	35,688	35,445	34,730	34,966
53 Wakefield and Barnsley Union Bk.	14,604	14,430	14,454	14,205	14,424
54 Whitehaven Joint Stock Bank ...	31,916	30,182	29,120	28,932	28,477
55 Warwick and Leamington Bk. Co.	37,124	29,997	27,935	27,916	28,687
56 West of England and South Wales District Bank .....	83,535	74,942	72,177	73,353	70,866
57 Wilts & Dorset Banking Company	76,162	69,801	70,243	71,667	72,146
58 West Riding Union Banking Co....	34,029	30,674	31,447	30,225	30,012
59 Whitchurch and Ellesmere Bk. Co.	7,475	5,414	5,020	4,910	4,910
60 Worcester City and County Bk. Co.	6,848	6,564	6,970	6,391	6,195
61 York Union Banking Company ...	71,240	67,825	69,342	70,024	69,677
62 York City and County Banking Co.	94,695	87,830	88,160	88,915	88,837
63 Yorkshire Banking Company .....	122,532	120,551	119,946	119,040	116,764



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	June 13.	June 20.	June 27.	July 4.
156 Private Banks.....	£4,495,545	£3,638,565	£3,608,723	£3,607,480	£3,614,196
63 Joint-Stock Banks..	3,302,357	3,018,132	3,002,695	3,004,763	3,008,546
<b>Totals .....</b>	<b>7,797,902</b>	<b>6,656,697</b>	<b>6,611,418</b>	<b>6,612,243</b>	<b>6,622,742</b>

*Average Weekly Circulation of these Banks for the month ending July 4th:—*

Private Banks .....	£3,617,241
Joint-Stock Banks .....	3,006,334

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above £6,623,575*

On a comparison of the above with the Returns for the month ending 6th June last, it shows:—

A decrease in the notes of Private Banks, of .....	£361,984
A decrease in the notes of Joint-Stock Banks, of .....	69,312
<b>Total decrease on the month.....</b>	<b>£431,196</b>

And, as compared with the month ending July 5th, 1856, it shows—

A decrease in the notes of Private Banks, of .....	£123,596
A decrease in the notes of Joint-Stock Banks, of .....	26,167
<b>Total decrease, as compared with the same period of last year .....</b>	<b>£150,163</b>

The following is the comparative state of the circulation, as regards the fixed issues—

The Private Banks are below their fixed issues.....	£878,304
The Joint-Stock Banks are below their fixed issues.....	293,823
<b>Total below the fixed issues .....</b>	<b>£1,172,127</b>

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 4th day of July, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Am't. of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Ireland.....	3,738,428	2,046,300	1,284,000	3,330,300	832,082
Provincial Bank of Ireland	927,667	404,674	548,641	953,315	329,565
Belfast Bank .....	281,611	84,728	324,007	408,735	248,230
Northern Bank .....	243,440	45,358	222,687	268,046	149,356
Ulster Bank .....	311,079	66,806	334,465	401,271	133,024
National Bank of Ireland...	852,269	637,522	582,154	1,219,676	616,847
<b>TOTALS (Irish Banks) ...</b>	<b>6,354,494</b>	<b>3,285,388</b>	<b>3,295,954</b>	<b>6,581,343</b>	<b>2,309,104</b>

### SCOTCH BANKS.

Bank of Scotland .....	300,485	130,625	253,970	384,595	155,895
Royal Bank of Scotland ...	183,000	90,802	157,540	248,344	117,233
British Linen Company .....	438,024	181,088	299,542	480,631	180,182
Commercial Bk. of Scotland	374,880	157,970	303,570	461,540	165,685
National Bank of Scotland..	297,024	106,615	211,630	318,245	88,042
Union Bank of Scotland and Banking Com. in Aberdeen	415,690	181,987	340,523	522,510	183,043
Edinburgh & Glasgow Bk...	136,657	65,870	94,527	160,397	34,650
Aberdeen Town and Co. Bk.	70,133	54,632	77,338	131,970	67,563
North of Scotland Bk. Co...	154,319	109,792	108,497	218,290	99,581
Dundee Banking Company	33,451	17,050	26,153	143,203	13,757
Eastern Bank of Scotland...	33,636	17,221	24,997	42,218	14,496
Western Bank of Scotland..	337,938	122,725	317,632	440,357	174,762
Clydesdale Banking Co. ...	104,028	44,966	100,476	145,442	61,674
City of Glasgow Bank .....	72,921	132,047	190,678	322,725	290,501
Caledonian Banking Co. ...	53,434	27,575	49,670	77,245	31,830
Perth Banking Company ...	38,656	15,932	32,063	47,995	23,496
Central Bank of Scotland...	42,933	19,358	35,936	55,295	29,174
<b>TOTALS (Scotch Banks)...</b>	<b>3,087,209</b>	<b>1,476,255</b>	<b>2,624,742</b>	<b>4,101,000</b>	<b>1,731,564</b>



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO JULY 4, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 4th July, when added together, give the following as the average weekly circulation of these banks during the past month, viz. —

Average Circulation of the Irish Banks... £6,381,343  
Average Circulation of the Scotch Banks 4,101,000

Total Average Circulation of these Banks  
for the past month ..... £10,682,343

On comparing these amounts with the Returns for the month ending 6th June last, they show—

Decrease in the Circulation of Irish Banks £382,488  
Decrease in the Circulation of Scotch Banks 287,189

Total decrease on the month ..... £619,677

And, as compared with the month ending July 5th, 1856, they show—

Increase in the Circulation of Irish Banks £402,189  
Decrease in the Circulation of Scotch Banks 32,110

Total increase on the year..... £370,079

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows:—

6 Banks in Ireland, allowed to issue... £6,384,494  
18 Banks in Scotland, allowed to issue .. 3,857,389

34 Banks in all, allowed to issue..... £9,441,763

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue .. £226,849  
Scotch Banks are above their fixed issue 1,013,791

Total above the fixed issue ..... £1,240,640

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks £2,309,104  
Gold and Silver held by the Scotch Banks 1,731,344

Total of Gold and Silver Coin ..... £4,040,668

Being a decrease of £141,874 on the part of the Irish Banks and a decrease of £58,632 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO JULY 4, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 4th July, 1857:—

Circulation of Notes for the Month ending 4th July, as compared with the previous month:—

	June 6.	July 4.	Increase.	Decrease.
Bank of England .....	£19,034,965	£19,046,811	£11,846	—
Private Banks .....	3,979,335	3,017,241	—	£962,094
Joint-Stock Banks .....	3,077,740	3,008,534	—	69,206
Total in England .....	26,091,986	25,072,586	11,846	431,196
Scotland .....	4,388,189	4,101,000	—	287,189
Ireland .....	6,913,831	6,581,343	—	332,488
United Kingdom.....	£37,393,956	£35,754,929	£11,846	£1,050,873

The comparison of the month ending July 5th, 1856, with the month ending July 4th, 1857, shows a decrease in the Bank of England circulation of £457,741, a decrease in Private Banks of £123,596, and a decrease in Joint-Stock Banks of £26,567; being a total decrease in England of £607,904; while in Scotland there is a decrease of £32,110; and in Ireland an increase of £402,189. Thus showing that the month ending 4th July, as compared with the same period last year, presents a decrease of £607,904 in England, and a decrease of £237,825 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending July 4th, gives an aggregate amount in both departments of £11,244,461. On a comparison of this with the Return for the month ending June 6th, there appears to be an increase of £1,249,089; and a decrease of £1,295,903 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 4th July, was £4,040,668; being a decrease of £200,006 as compared with the return of the previous month, and an increase of £19,075 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

**Journal of the Money Market.**

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SEPTEMBER, 1867.

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## THE NEW BANKING ACT.

EVERY additional facility that is afforded for the safe deposit or the profitable investment of capital, is unquestionably a benefit conferred not only upon the individual who may happen to have surplus funds to deposit or to employ, but to the community generally. Banking institutions being the readiest means through which that benefit can be obtained, it follows that any relaxation of the law which is calculated to encourage and promote banking enterprise—accompanied by those necessary securities which the public have a right to look for at the hands of the legislature against loss by fraudulent malversations, and the equally ruinous consequence of ignorance, negligence, or imprudence—is a subject of congratulation. The new “Act to amend the law relating to Banking Companies,” which received the Royal assent on the 17th of last month, comes within this category, and, as such, demands some remark.

The records of the law and equity courts—but more especially of the courts of bankruptcy during the last twelve or eighteen months—have painfully demonstrated the hardship and injustice which, under the law of unlimited liability, unregulated and unrestrained by any check but the will of the creditor, may be inflicted upon the unfortunate shareholders, in the event of the failure of a joint-stock bank. To the minds of those who have suffered directly or indirectly from this state of the law, as well as of those who might by possibility be brought within its operation, but one remedy for the evil occurred. They advocated, and naturally so, the abolition of the principle of unlimited liability altogether, and the placing of joint-stock



banks on precisely the same footing, as regards the pecuniary responsibility of their shareholders individually, as ordinary joint-stock associations; that is, that on complying with certain conditions laid down in the Joint-Stock Companies Act, they should be allowed to limit the shareholders liability to the amount of capital for which each subscribes. Looking at the matter in the abstract, many specious arguments may be advanced in favour of this view, and which to joint-stock bank shareholders and directors will be convincing. But there is another side of the question to be considered: there is the public interest, which is paramount even over the just demands of the shareholders, were it possible—which happily it is not—that those demands and the public interest could conflict.

Banking companies stand upon a very different footing from other trading copartneries, and enjoy advantages to which these are strangers. In return for the convenience they afford to the public, they possess the very important privilege of dealing with other people's money for their own profit, and, in so far as the floating balances are concerned, without paying interest. A bank whose credit and position is once established, commands advantages in this way which, unless reckless mismanagement, or unpardonable negligence, or wilful fraud intervene, must in ordinary times secure to the partners a profitable return, and, even in periods of financial pressure, if a sufficient degree of prudent firmness be exercised, protect them against serious loss. There ought to be no risk; and the only difference between the recurring periods of mercantile prosperity and mercantile depression should with them be in the higher or the lower sum placed to the credit of profit and loss at the end of the half-year and available for dividend.

From institutions which thus become the custodiers of the funds of others, using them for their own gain, and, beyond the power of withdrawing the deposit and closing the account, denying to the depositors the right of investigation, more stringent securities may reasonably be required than from ordinary trading companies, whose operations are carried on with their own subscribed capital. What the public have a right to demand in the case of banking companies is a guarantee to the extent not only of the whole of the share liability of the partners, but if that should not be sufficient, then to the utmost limits of the private means of the partners until the corporate debts are satisfied. On the other hand, the shareholders are undoubtedly entitled to be protected by the legislature from that harassing and ruinous litigation in



the enforcement of such liability to which, in numerous recent instances, they have been subjected. Accountability on the part of all the shareholders, individually as well as collectively, until the whole of the debts of the concern are discharged in full, is all that can be required of them by the public, and as a penalty for incautiously associating themselves with an insolvent or failing undertaking, more than adequate. To superadd thereto unlimited liability to actions at law, the only effect of which is to fill the pockets of lawyers with the money which might be made available towards the liquidation of the debts, and to drive the debtors to the Bankruptcy or Insolvent Court as their only refuge, is simply ridiculous tyranny and needless oppression. The Banking Act of 1857 will remedy this evil. It will relieve the joint-stock bank shareholder, not from his liability to the full amount of the debts due by the company of which he is a member, but by making the machinery of the Winding-up Act applicable to banking associations founded on the joint-stock principle, it protects the proprietors from individual actions at law, but calling upon them for a *pro rata* contribution to make up whatever deficiency may remain after the realisation of the assets. This is the principal object of the new act. There are other provisions, which may be briefly summed up as follows. It requires every banking company established under the existing Joint-Stock Bank Acts to register under it, on or before the 1st of January, 1858, failing in which they will forfeit the privilege of suing and being sued in their corporate capacity; no dividends can be paid to the shareholders, and the managers and directors become liable to a penalty of £5 a day each. Other banking companies already constituted, founded on the principle of a fixed share capital, but which were not previously compelled to register, may, with the consent of a majority of its shareholders, bring itself within the operation of the act, without losing existing powers of issue, &c. There are to be no fees for registration, payable by already constituted banking companies; nor is the act to have *ex post facto* operation with regard to debts and obligations contracted before its passing, or in reference to pending actions. An examination of affairs by the Board of Trade Inspector may be had at the request of one-third of the shareholders in number and value. There is also a clause which will probably have a serious, but, as regards the public, a beneficial effect upon those pseudo banking institutions which, as loan and discount societies, have started up during the past year under the Limited Liability Act, and which, while avoiding the responsibility, invite deposits and transact all the ordinary business of bankers. It is provided



by the 16th clause that if, through inadvertence or otherwise, a company, that is in fact a banking company, has been registered as a limited company, shall be subject to the following liabilities :—

Any creditor or member of the company may petition the court to have it wound up, and the fact of its being registered as a limited company shall of itself be a sufficient circumstance on which an order shall be made for winding up the same :

In the event of such company being wound-up, the contributories shall, whether the company is or not registered as a limited company, be liable to contribute to the assets of the company to an amount sufficient to pay its debts, and the costs, charges and expenses of winding-up the same.

This will dispel the illusion that companies may be formed for carrying on banking operations, and by adopting another name, and registering under the Joint-Stock Companies Act as ordinary trading associations, the shareholders may avoid the unlimited liability condition which attaches to banking partnerships. One other clause in the bill is important, as involving a question upon which much difference of opinion exists both in and out of Parliament. It is provided by the 12th clause that any seven or more persons may register themselves as a banking company under the act, subject to the condition that the shares shall be £100 each. There is no stipulation as to the number of shares or the amount of capital beyond the nominal value of the shares ; so that, in point of fact, seven persons subscribing their names for £100 a piece, or £700 between them, will be by law entitled to commence business as a joint-stock bank, with all the privileges which the London and Westminster or the Union Bank of London enjoys. It is no doubt a difficult matter to fix a minimum or a maximum limit of capital, of shares or of shareholders, in copartneries of this nature ; but the opinion somewhat extensively prevails that an enactment which gives legal sanction to the establishment of a bank with a capital of £700 only, making no provision for the publication of names, or of accounts, or for the inspection of affairs, except on the requisition of the parties whose object would probably be best saved by concealment, is calculated to give encouragement to projects of a doubtful character, and to counteract, in no small degree, the beneficial action of the 16th clause.

With this exception, the new Banking Act is a considerable step onwards in our commercial legislation. Without depriving



the public of the security afforded by the unlimited responsibility of bank proprietors, or interfering with the right of the creditor to be paid in full, it will free the former from a liability which benefits lawyers, and lawyers only.

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### LIFE ASSURANCE COMPANIES.

PUBLIC attention has been directed within the past month to the proceedings of the legislature with reference to the Insurance Companies bills introduced by Mr. Wilson, the Secretary to the Treasury, which he has been compelled to withdraw ; deferring any further legislation on this important subject until the next session of Parliament.

From the late disclosures in our law courts and the proceedings in Chancery under the winding-up acts, in relation to life insurance companies, the public mind has been somewhat excited ; the Government in its wisdom considering the deficiencies of the Act of 7 and 8 Vict., chap. 110, from the evidence given before the Select Committee of the House of Commons on Assurance Associations, was about to pass a measure for the incorporation and regulation of such companies, with a view to their future better management, and to insure, if possible, greater security to the community.

Upon the introduction of the bill, it met with very decided opposition from the old companies, as well as from the new companies established under the act of Victoria ; and more than one deputation waited upon Mr. Wilson to suggest amendments, which were more or less adopted, until the bill was rendered utterly ineffective as affording any protection to the public ; some of the old associations not desiring any legislation whatever, the new companies requiring that all, whether registered or not, should be subject impartially to the same legislative provisions.

The newly-formed associations have been compelled to register under the act of Victoria, one of its provisions being to deposit their accounts and balance sheets with the Registrar of Joint-stock Companies, which has in many instances been evaded, or when registered have been of so unsatisfactory a character as to be valueless as a general protection to the public.

It has been considered by some of the most eminent men in and out of the assurance profession, that there should be an enactment to compel all life assurance associations, without any exception, to register certain periodical returns, showing their total liabilities and their assets to meet the same ; but others are of opinion that there should not be any legislative protection, or interference as they term it, that they should be left entirely to themselves, to put forth any and what statements they pleased before the public, whether solvent or insolvent.

Now, as life assurance associations are not of that character that the public may support them at one period and not at another, as in the



case of banking associations, and withdraw the funds deposited at any given moment, but from the very nature of the business, that of trusteeship of vast sums of money providing for contingencies, and the policy contract, they are compelled to pay their annual premiums, though there may be grave doubts as to the future solvency.

Considering the very important interests involved, it is held that the public have a right to call upon the legislature to pass such an enactment as will afford substantial evidence of the actual position, sound or otherwise, of such institutions—more especially if rendered in such a manner that the experienced only, and those men versed in actuarial calculations, can arrive at any accurate result.

It is notorious that some life assurance associations have been in an unsound state, and yet it has been impossible to ascertain their actual position until announced to the unfortunate proprietors, either by a further call or through the process of winding-up in Chancery.

Looking at the vast sums at stake, amounting in the aggregate to hundreds of millions sterling, the greater proportion of which is eventually to be received by the widows and fatherless of the community, it is imperatively necessary that there should be a distinct, and in some respects a stringent, legislative measure as a general security to the public, whether assurers or shareholders.

It is to be hoped, then, that some such provision will be agreed upon and brought forward by the Government early in the session of next year, so that it may be ascertained, without doubt, that the several life assurance associations are on the soundest and surest foundation—making “assurance doubly sure.”

We cannot conclude these remarks without offering to the consideration of our readers the opinion of an important and impartial witness in his evidence before a select committee upon the subject, as follows:—

“The vast sums invested in these companies, and the eager competition among them, render it very desirable that persons intending to insure should have some means of ascertaining the real position of the companies, and estimating their probable solvency. The law appears to recognise this necessity by desiring the publication of an annual balance sheet. A moment’s reflection will show that such a balance sheet is totally worthless, and only calculated to mislead both insurers and shareholders. It appears to contain all the transactions of the company, but the information really required is withheld. If anything is to be known of the position of the company, it can only be by the publication of a periodical statement, containing not merely their cash transactions, but an estimate of their liabilities founded on the actual value of the policies existing at the date of the account. This would not, perhaps, be required to be made out so often as every year; but it must be evident that the publication of any accounts without this information is worse than useless.”

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### THE BANK CHARTER ACT.

THE committee appointed to investigate the working of the Bank Charter Act have terminated their labours, and the evidence of the several witnesses examined will, it is understood, be shortly published. In the columns of the *Morning Herald*, during the last three weeks, has, however, appeared nearly the whole of the examination of Mr. T. M. Weguelin, the Governor of the Bank. From the manner in which the evidence is furnished, there seems reason to believe that it will be continued at length in that journal, so that a fair view will be gained of the whole examination entered into. As the investigation will be continued next session, to report on the present occasion is anticipated; but, meanwhile, the evidence may be studied with advantage, it being replete with interesting statistical facts. Although the witnesses have not been numerous, it is understood that the proceedings have been rather protracted, and consequently the "blue book," when it makes its appearance, will be of more than the ordinary size. During the recess, those who are specially interested will have abundance of leisure to probe the soundness of the various doctrines enforced, and, hence, before the inquiry shall have been finally completed, an opportunity will be afforded for exposing any of the fallacies that may have been brought forward.

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### SUSPENSION OF THE ISLE OF MAN BANK.

THE suspension was announced, on the 21st August, of the Isle of Man Bank, conducted by the firm of Dumbell, Son and Howard, with establishments at Douglas and Castletown. It has a note circulation believed to amount at present only to about £12,000 or £13,000, the whole of which may be assumed to be safe, as according to the laws of the Isle of Man all persons issuing notes are obliged to give security for them. In the present case the guarantee is understood to be real estate. The existing difficulties are believed to have been brought about by imprudent advances, but in some quarters an impression is entertained that the creditors may escape without any ultimate loss. The bank was constituted as recently as 1853, the year in which the failure took place of the Isle of Man Bank of Messrs. Holmes and Co., with liabilities for £190,000. It is now announced that the affairs of the establishment, on investigation, present a satisfactory appearance. Indeed, it is stated, that the firm may be regarded as solvent, and that there is the prospect of the whole of the creditors receiving 20s. in the pound.

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## MERCANTILE SUSPENSIONS.

It will be noticed by the following list that the number of mercantile suspensions during the past month has been considerable, and that it includes several important firms.

July.—M. Giustiniani, Constantinople, merchant.

Aug.—Rutty, Hall, and Co., London, warehousemen.

Carr Brothers and Co., Newcastle, coal owners.

Milrose and Hussey, Dudley, ironfounders.

T. Ashmore and Sons, London, drysalters.

T. H. Hayes, Liverpool, cornfactor.

Buchanan, Brown, and Co., Liverpool, produce brokers.

Dumbell, Son, and Howard, Isle of Man, bankers.

W. Eassie, Gloucester, contractor.

T. Stewart, Stockport, manufacturer.

Bruford, Dyer, and Co., Bristol, African trade.

Jones and Moore, Bristol, soap manufacturers.

With the exception of those of Messrs. Rutty, Hall, and Co., and Messrs. T. Ashmore and Sons, the suspensions have principally been provincial. In Liverpool and Bristol they have been numerous, and the prospects for creditors will prove very unsatisfactory. In the case of the suspension of the Isle of Man Bank, the creditors, it is asserted, are likely to obtain 20s. in the pound. The suspension of Messrs. Carr Brothers is a very heavy affair, but hopes are entertained that a complete and satisfactory liquidation may be effected. It is stated that M. Giustiniani is now paying his creditors in full.

## THE METROPOLITAN JOINT-STOCK BANKS.

The subjoined table furnishes an epitome of the transactions of the London joint-stock banks, and it exhibits most interesting results. The progress of business it demonstrates is very remarkable, the three principal banks showing an aggregate increase of their deposits over the former year, of £7,396,659. The London and Westminster presents an increase of customers' deposits, of £2,743,048; the London Joint-stock, of £2,824,577; and the Union Bank, of £1,829,034. The total capital paid up amounts to £3,907,235—the total deposits to £43,100,724—the total reserved fund to £681,161. The aggregate assets, after paying dividends and bonuses, including capital paid up, amounts to £47,789,580. The comparative statement exhibits the increase or decrease of deposits on the former year. The London and Westminster Bank showed an increase of  $24\frac{1}{2}$  per cent.; the London Joint-stock,  $35\frac{1}{2}$  per cent.; the Union Bank of London,  $20\frac{1}{2}$  per cent.; and the City Bank,  $58\frac{1}{2}$  per cent. The London and County shows a decrease of nearly 9 per cent.; the Bank of London a decrease exceeding  $11\frac{1}{2}$  per cent.; and the Commercial Bank of London a decrease of 39 per cent. The increase or decrease, on the business as compared



with the year 1854, is also important, the London and Westminster showing an increase of 102½ per cent.; the London Joint-stock 83½ per cent., the Union 54½ per cent., and the London and County 10 per cent. The Commercial Bank of London exhibits, on the other hand, a decrease in the same period of 26 per cent. The total deposits of the London and Westminster, London Joint-stock, Union, London and County, and Commercial, in the year ending 30th June, 1854, amounted to £24,534,310. By the above abstract they now show an aggregate total of £40,280,233, being an increase in the brief space of three years of £15,745,923, or 64 per cent. It may be noticed that the private deposits in the Bank of England, on the 27th June last, amounted to £9,134,352.

*An Abstract from the latest Balance-sheets and Reports of the London Joint-Stock Banks, with the Total Liabilities and Assets of each Bank.*

When founded.	Bank.	Capital paid up.	Current Deposit Account.	Total Liabilities	Reservd Fund.	Total Assets after Paying Dividends.	Rate per cent. of Dividend and Bonus per Annum.
1834	London and Westminster	£ 1,000,000	£ 13,913,058	£ 14,913,058	£ 154,728	£ 15,078,058	18
1836	London Joint-Stock	600,000	10,698,530	11,298,530	168,420	11,513,518	22½
1839	Union Bank of London	600,000	10,874,640	11,474,640	150,000	11,646,219	20
1839	London and County	500,000	3,557,281	4,357,281	100,000	4,451,040	10
1839	Commercial Bk. of London	800,000	936,724	1,236,724	73,273	1,314,158	7½
1855	City Bank	257,235	1,248,191	1,505,426	28,000	1,541,637	6
1855	Bank of London	300,000	1,205,006	1,505,006	4,497	1,532,713	—
1855	Unity Bank	150,000	176,013	326,013	—	229,546	—
1856	Western Bk. of London	200,000	191,281	391,281	2,243	382,691	—
	Total	3,907,235	43,100,724	47,007,959	681,161	47,789,580	

*A Comparative Statement of the Net Increase or Decrease of Deposits on the previous Financial Year, with Rate of Increase or Decrease of Deposit on the Year ending June, 1854.*

Bank.	Deposits 30th June, 1856.	Increase of Deposits on the Year.	Decrease of Deposits on the Year.	Increase on the Year per cent.	Decrease on the Year per cent.	Rate per cent. of increase or decrease of Deposits on the Year.
	£	£	£			
London and Westminster	11,170,010	2,743,048	—	24½	—	102 incr.
London Joint-Stock	7,873,963	2,824,577	—	35½	—	83½ "
Union Bank of London	9,045,606	1,839,084	—	20½	—	54½ "
London and County	4,213,738	—	356,457	—	8 7-16	10 "
Commercial Bank of London	1,534,361	—	599,637	—	39	26 decr.
City Bank	786,561	461,610	—	58½	—	—
Bank of London	1,963,641	—	158,835	—	11½	—
Unity Bank	—	—	—	—	—	—
Western Bank of London	—	—	—	—	—	—
Total	35,990,090	7,858,269	1,114,926			



## BANKING IN NEW SOUTH WALES.

General Abstract of the Sworn Returns, rendered pursuant to the Act of Council, 4th Victoria No. 13, of the average Assets and Liabilities, and of the Capital and Profits of the undermentioned Banks of the colony of New South Wales, for the Quarter ended 31st March, 1857.

BANKS.	LIABILITIES.				
	Notes in circulation.	Bills in circulation.	Balances due to other banks.	Deposits.	Total liabilities.
	£	£	£	£	£
New South Wales*.....	736,150	7,912	104,025	2,176,344	3,024,432
Commercial.....	197,698	.....	.....	895,341	1,093,040
Australasia.....	97,119	8,519	.....	630,032	735,670
Union of Australia.....	145,966	12,105	74	656,761	814,907
Australian Joint Stock ...	107,865	59,809	11,715	468,703	648,093
London Chartered .....	16,900	1,318	.....	75,226	93,445
English, Scottish, and					
Australian Chartered ...	33,190	.....	.....	120,279	153,469
Oriental Chartered .....	48,561	10,186	244,388	373,597	676,732
TOTALS, 1857.....	1,383,451	99,851	360,203	5,396,285	7,239,790

BANKS.	ASSETS.					
	Coin and bullion.	Landed Property.	Notes and bills of other banks.	Balances due from other banks.	Notes and bills discounted and all other debts due to the banks.	Total assets.
	£	£	£	£	£	£
New South Wales*.....	746,198	41,711	35,995	293,131	2,582,562	3,701,509
Commercial .....	630,466	16,000	3,126	157,508	593,561	1,400,683
Australasia.....	326,344	23,218	4,023	.....	528,695	882,282
Union of Australia	166,580	12,492	7,920	1,037	552,345	740,376
Australian Joint						
Stock .....	179,961	25,667	2,627	28,465	684,542	921,265
London Chartered	56,633	26,084	.....	.....	115,769	198,488
English, Scottish, and						
Australian						
Chartered .....	50,411	14,423	914	20,000	325,852	411,602
Oriental Chartered	160,480	10,795	3,348	269,211	293,359	737,194
TOTALS, 1857 ...	2,319,007	170,394	57,954	769,354	5,676,690	8,993,401

\* This return includes Victoria also.



BANKS.	CAPITAL AND PROFITS.				
	Capital paid up.	Rate per annum of last dividend.	Amount of Dividend.		Amount of reserved profits after paying dividend.
	£	£	£	s. d.	£ s. d.
New South Wales*	500,000	20 per cent.	50,000	0 0	125,000 0 0
Commercial .....	237,650	15 per cent.	17,810	12 6	42,313 7 11
Australasia .....	900,000	20 per cent.	90,000	0 0	400,667 16 11
Union of Australia	820,000	21 per cent.	86,100	0 0	291,767 6 7
Australian Joint Stock .....	250,000	10 per cent.	12,500	0 0	19,808 3 10
London Chartered	700,000	5 per cent. on £600,000	14,375	0 0	2,507 10 8
English, Scottish, and Australian Chartered .....	500,000	4 per cent.	10,000	0 0	134 19 0
Oriental Chartrd.	1,260,000	10 per cent.	63,000	0 0	252,000 0 0
<b>TOTALS, 1857...</b>	<b>5,167,650</b>	<b>.....</b>	<b>343,785</b>	<b>12 6 1</b>	<b>1,134,199 4 11</b>

**SYDNEY GOLD MINT COINAGE.**

The following Parliamentary return of the amount of gold coined at the Sydney branch of the Royal Mint, in 1855 and 1856, shows the gradual, but great increase in the deliveries of gold, and the coinage :—

**Summary of the Monthly Returns of Gold Coined at the Sydney Branch of the Royal Mint, during the year 1855.**

	Weight.		Total weight.	Total value.	
	Sovereigns.	Half-sovereigns.			
	Oz.	Oz.	Oz.	£	s. d.
<b>1855.</b>					
From May 14 to June 30.....	7,402.638	85.441			
July .....	6,810.984	493.836			
August .....	2,567.830	2,374.676			
September.....	7,664.692	.....			
October .....	17,482.916	.....			
November .....	36,599.714	.....			
December .....	50,731.585	.....			
<b>TOTAL .....</b>	<b>129,260.559</b>	<b>2,953.953</b>	<b>132,214.512</b>	<b>514,810</b>	<b>5 1</b>

\* This return includes Victoria also.



# 716 *The Estate of Messrs. Forster, Ratty, Hall and Co.*

## Summary of the Monthly Returns of Gold Coined at the Sydney Branch of the Royal Mint, during the year 1856.

	Sovereigns.	Half-sovereigns.	Total weight.	Total value.
1856.	Oz.	Oz.	Oz.	£ s. d.
January .....	65,340.025	.....		
February .....	48,983.810	2,055.650		
March .....	.....	20,515.620		
April .....	.....	18,028.070		
May .....	.....	11,685.560		
June .....	20,724.870	9,140.310		
July .....	14,384.180	.....		
August .....	21,313.920	.....		
September.....	17,769.000	.....		
October .....	21,829.570	.. ....		
November .....	20,546.970	.. ....		
December .....	20,956.580	.....		
<b>TOTAL .....</b>	<b>251,847.865</b>	<b>61,425.210</b>	<b>313,273.075</b>	<b>1,219,807 0 8</b>

Value of gold coined in 1855 ..... £514,810 5 1  
Value of gold coined in 1856 ..... 1,219,807 0 8

**Total ..... £1,734,617 5 9**

## THE ESTATE OF MESSRS. FORSTER, RUTTY, HALL, AND CO.

A MEETING of the creditors of the above-named firm, who lately failed in the Scotch and Manchester trade, was held on the 14th of August, when the following statement of affairs was presented by Mr. Parrington, of the firm of Parrington, Ladbury, and Co., the accountants:—

*Dr.*

To creditors ... ..	£48,282 11 5
Less securities held by them ...	3,154 7 2
	<u>£45,128 4 3</u>
To liabilities on bills drawn upon and accepted by other persons for the accommodation of Messrs. Forster, Rutty, Hall, and Co. ...	10,000 17 6
Less value to acceptors, who it is supposed will pay their acceptances ...	1,360 16 1
	<u>8,640 1 5</u>
To liabilities on bills receivable, discounted, considered good ...	14,818 3 4
To ditto ditto bad ...	1,114 0 2
To liability on promissory notes of the firm delivered to the acceptors of accommodation bills ...	2,817 4 11
	<u>£54,882 5 10</u>



<i>Cr.</i>			
By stock in trade at cost	...	...	£11,341 2 3
Book debts, good	...	...	6,283 15 8
Ditto doubtful	...	£98 19 1	49 9 6
Ditto bad	...	566 12 2	
Cash and bills in hand	...	...	8 16 3
Balance at bankers' (deducted from their claim)	...	69 18 0	
Trade furniture, &c.	...	...	171 9 0
Bills received (dishonoured) amounting to £3,419 19s. 2d., held by acceptors of accommodation bills as collateral security	...	0 0 0	
Bills receivable, amounting to £1,906 2s. 6d., estimated at	...	1,654 7 2	
Held by creditors as security upon advances of £1,350 :—			
By leases and fixtures of premises, Nos. 64 and 65, Friday-street, and No. 40, Cheapside, held for unexpired terms of 17, 12, and 12 years respectively, at a total rent of £930 per annum	...	1,500 0 0	
Mortgaged to Mr. J. Thomas, as security for his debt.	...		
Deducted per contra	...	£3,154 7 2	
			17,854 12 8
Less rent, taxes, salaries, &c.	...	...	902 13 10
			£16,951 18 10

It was explained that the estate shows about 6s. in the pound, but it is questioned whether this amount will be realised. The deficiency to be accounted for is £37,000, in addition to profits stated to have been made during the eight years' trading, of £54,000. Mr. Parrington gave a most discouraging narrative of the condition of the firm, with regard to their mode of conducting business, the state of the books, and the drawings of the partners. No proper balance-sheet has ever been taken since the commencement of the trading. The cash account has been traced through the counterfoils of cheques; and to bring the ledgers, &c., into a satisfactory condition, three months' labour must, it is alleged, be expended. The present statement must, therefore, be considered more as approximating to, than verifying, actual results. It is not presumed that any dishonesty or concealment has been practised, but the great recklessness exhibited will render it necessary that a strict investigation of the accounts shall be carried out. The loans and repayments have been of a most extensive nature, and the absence of good bookkeeping has consequently increased the confusion. The principal parties who are secured are the bankers, and a relative of Mr. Forster's, who has advanced about £8,000. It appears that the drawings of the partners gradually increased as their business extended, although it was conducted in such an unsatisfactory manner, and without prospect of ultimate amendment. The joint estate may be benefited to the extent of £300, by a surplus from the private estate of Mr. Forster, but those of Mr. Ratty and



Mr. Hall are fully absorbed by claims upon them. A lengthened conversation then took place as to the best course to be adopted for effecting a liquidation. It was proposed and eventually resolved, that the partners should be requested to sign a declaration of insolvency, that the estate should be wound up by inspection, with the view of facilitating an early distribution of assets, and that recourse should be had to bankruptcy, if the accounts on investigation should exhibit features requiring the interference of that tribunal. The suggestion for an inspectorship emanated from Mr. J. Linklater, who considered it a more desirable proceeding than an ordinary assignment. The three partners were then introduced, and having signed the declaration of insolvency, some of the creditors interrogated them on various points. The most important facts elicited were the admission by Mr. Rutty that the firm had known for several years they were in a doubtful position, and that according to a rough statement which he had prepared, the deficiency, &c., in the accounts would be found to consist of the expenses of business, interest, and discount, and discount allowed to customers on purchases, &c. Inspectors, with the general concurrence of the creditors, having been appointed, the meeting adjourned.

#### THE ESTATE OF MESSRS. CARR, BROTHERS AND CO.

A general meeting of the creditors of Messrs. Carr, Brothers, of Newcastle-upon-Tyne, coal owners, &c., who recently failed, was held on Tuesday, August 18th, Mr. Samuel George Smith, of the firm of Smith, Payne and Smith, in the chair, when the following statement was presented by Mr. J. E. Coleman, the accountant. Of creditors amounting to £870,000, about £540,000 were represented, the principal parties being the Bank of England, the Northumberland and Durham District Bank, the Commercial Bank of Scotland, Messrs. Carr, Glyn and Co., the National Discount Company, Messrs. Bailey, &c.

*General Statement of the Liabilities and Assets of Messrs. Carr, Brothers and Co., of Newcastle-upon-Tyne, August 1, 1857.*

##### FULL CLAIMS AND ASSETS.

To amount due to creditors fully secured	...	...	...	£301,549
Ditto, partially secured	...	...	...	202,091
Ditto, on acceptances discounted	...	...	...	149,072
Ditto, on acceptances for colliery stores and working purposes	...	...	...	13,395
Creditors on open accounts	...	...	...	12,500
				<hr/> £678,607
By value of collieries	...	...	...	£439,315
Value of shares, &c.	...	...	...	179,990
Coal, stock and sundries	...	...	...	10,953
Sundry debtors	...	...	...	66,382
Surplus from the separate estates of the partners after payment of claims thereon	...	...	...	20,000
				<hr/> £716,640

Liabilities on bills discounted, the whole of which is expected will be duly honoured at maturity	...	...	40,947	9	1
			678,607	0	0
			<hr/> £719,554	9	1



CLAIMS AND ASSETS AFTER DEDUCTING SECURITIES HELD BY CREDITORS.

To creditors wholly secured :—

Estimated value of securities	...	...	£468,640	0	0
Amount of claim	...	...	301,549	0	9
Surplus	...	...	£167,090	19	3

Creditors partially secured :—

Amount of claims	...	...	202,091	13	11
Estimated value of securities	...	...	75,665	0	0
Creditors on acceptances	...	...	...	...	128,426
Ditto for colliery purposes	...	...	...	...	148,072
Ditto on open accounts	...	...	...	...	13,395
					12,500
					<u>£301,893</u>

By estimated surplus on English collieries and on shares	...	...	£167,091
Estimated value of Welsh mines	...	...	75,000
Coal, stock and sundries	...	...	10,953
Sundry debtors estimated	...	...	66,382
Surplus from the separate estates of the partners, after payment of claims thereon	...	...	20,000
			<u>£339,426</u>

Liabilities on bills discounted, the whole of which it is expected will be duly honoured at maturity ... £40,947 9 1

Mr. C. Freshfield stated the circumstances under which former consultations took place respecting the liquidation of the estate. When the bills of the firm were first dishonoured, Messrs. Smith, Payne and Smith, as interested parties, proposed an investigation, and the Bank of England being also creditors, it was agreed that Mr. Coleman should be dispatched to Newcastle to look into the accounts and make a report. That object having been accomplished, the result was communicated to several of the principal creditors, and it was thought that it would be for the interests not only of Messrs. Carr Brothers, and the creditors, but of the locality itself, if an arrangement could be effected for a liquidation under inspection. Mr. Coleman, having fully investigated the estate, was now prepared to explain its position in order that a conclusion might be arrived at. Mr. Coleman, in reply to the chairman, announced that the estimate of the surplus of the property, which he before took at £40,000, will be now modified and placed at £38,000. The principal assets consist of collieries in the North of England, and in South Wales. The collieries in the North were valued in 1854 by Mr. Forster at £466,000, but it is not considered prudent to take them at more than seven years' value of the produce; and, therefore the amount is reduced to £364,315. With regard to the South Wales Collieries, they had been valued at £116,000. Not being, however, in full operation, and the coal appearing less in demand than that obtained from the other collieries, the opinions of qualified persons have been accepted, who consider that they may safely be placed at £75,000. These two items constitute the total of £439,315 for the collieries. The shares described as valued at £170,000



consist of Blyth and Tyne Railway shares (the line having been originally the property of the firm), the preference descriptions paying ten per cent. and the ordinary descriptions six per cent. These have been taken at the market prices of the day, which it is believed form a fair representation of their worth, unless heavy sales take place and they are forced to a depreciated point. The items of coal stock and sundry debtors will, it is expected, be realised, and the separate estates of Mr. Dryden and Mr. John Carr may yield £20,000. The debt of the Northumberland and Durham District Bank is about £200,000, for which they hold ample securities upon the collieries; but the directors are willing to remain in the same position in which they at present stand for twelve months, to see if the liquidation can be effected, reserving to themselves the right of receiving only the interest on the mortgage. Among the other secured creditors are the Edinburgh Insurance Company, the National Assurance Company, the North British Assurance Company, and Lord Ravensworth, most of whom hold Blyth and Tyne shares. The best mode of arranging the debts of the estate, it was contended, will be by inspection, an appeal to bankruptcy, under existing circumstances, being wholly out of the question, and the creditors were therefore urged to support this plan. In answer to questions, it was stated that the names of the partners in the collieries are Mr. John Carr, Mr. Charles Carr, Mr. W. Carr, Mr. Phillipson, Mr. Dryden, Mr. Pemberton, Mr. Burnett, and Mr. Roger, and that Mr. Swan has not been admitted into the firm. A sum of £2,500 will be required to complete the workings of the South Wales Collieries; and the produce for the next year from the Northern collieries will, it is asserted, reach £45,000. A point was raised with respect to the acceptances of parties who have been connected with Messrs. Carr Brothers, and it was replied, that if not solvent, they will have to pay the penalty of their indiscretion. A long discussion ensued, relative to the responsibility of creditors in agreeing to a liquidation by inspection, if the property became deteriorated, or the results estimated were not realised, but it was asserted that under the deed of inspection the necessary precautions will be adopted to avoid any such contingency. As to general claims, it was argued that one common course of action is desirable, the inspectors representing the entire body of creditors, a preponderance of whom were present on this occasion. It was then resolved that Mr. Bigg, of the Northumberland and Durham District Bank; Mr. Anderson, the manager of the branch of the Bank of England, at Newcastle; and Mr. S. G. Smith, of the firm of Smith, Payne and Smith, be appointed inspectors, with power to investigate and ascertain the position of the several parties who are liable upon bills, and to inform the holders of the same of the views they entertain of any propositions that may be made for a settlement, the holders to have seven days' option of assenting to such arrangements.

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#### TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for the month of June were issued on the 25th of July. For the first time this year they fail to show an increase in the declared value of our exportations. The difference on the other side, however, is but £30,247, and it is to be remarked that the month of June, 1856, was one of extraordinary activity, since, as compared with the preceding year, it showed an augmentation of £2,500,000. The chief falling off in the shipments on the present



occasion has been in cotton manufactures. It amounts to £391,534, but may be regarded merely as a natural reaction from the enormous increase of £850,489, presented under that head in the preceding month. In a majority of the other principal articles, the totals are on the favourable side. The subjoined table exhibits the exact increase or decrease in each case:—

## DECLARED VALUE OF EXPORTATIONS.

Months ending June 30th, 1856, and June 30th, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£173,340	£215,781	£42,441	—
Beer and ale ... ..	131,729	119,740	—	£11,989
Books ... ..	33,967	34,455	488	—
Butter ... ..	93,654	62,898	—	32,756
Candles ... ..	29,322	19,432	—	10,390
Cheese ... ..	12,058	8,981	—	3,077
Coals and culm ... ..	260,089	289,048	28,959	—
Cordage... ..	25,325	14,727	—	10,598
Cottons ... ..	2,903,687	2,512,153	—	391,534
Cotton yarn ... ..	608,267	657,333	49,066	—
Earthenware ... ..	117,611	140,978	23,367	—
Fish ... ..	12,973	26,361	13,388	—
Furniture ... ..	15,982	17,147	1,165	—
Glass ... ..	46,774	49,290	2,516	—
Haberdashery ... ..	339,660	351,702	12,042	—
Hardware ... ..	332,566	334,508	1,942	—
Leather ... ..	137,658	197,672	60,014	—
Linens ... ..	479,881	408,652	—	71,229
Linen yarn ... ..	114,105	133,910	19,805	—
Machinery ... ..	210,969	351,200	140,251	—
Iron and steel ... ..	1,260,676	1,244,396	—	16,280
Copper and brass... ..	210,417	227,697	17,280	—
Lead ... ..	63,851	72,929	9,078	—
Tin ... ..	143,511	181,525	38,014	—
Oil seed ... ..	71,253	42,429	—	28,824
Painters' colours... ..	86,962	34,498	—	2,464
Pickles and sauces ... ..	31,534	28,542	—	2,992
Plate and jewellery ... ..	37,308	45,556	8,248	—
Salt ... ..	35,128	41,691	6,563	—
Silks ... ..	270,266	296,130	25,864	—
Soap ... ..	25,251	18,737	—	6,514
Soda ... ..	51,768	69,291	17,523	—
Spirits ... ..	89,375	69,632	—	29,743
Stationery ... ..	53,439	56,622	3,183	—
Sugar, refined ... ..	109,667	12,295	—	97,372
Wool ... ..	111,954	140,227	28,273	—
Woollens ... ..	1,088,283	1,107,705	19,422	—
Woollen Yarn ... ..	200,124	253,115	52,991	—
Unenumerated articles ... ..	686,203	749,835	63,632	—
Total ... ..	10,661,087	10,630,840	—	—

The total of our exports for the first six months of the year has been £60,826,381, showing an increase of £6,857,965, or about 11½ per cent., upon the corresponding half-year of 1856. The changes have occurred in the following manner:—



January, increase	...	...	...	...	...	£1,083,319
February	—	...	...	...	...	1,587,293
March	—	...	...	...	...	1,007,778
April	—	...	...	...	...	560,918
May	—	...	...	...	...	2,648,904
June, decrease	...	...	...	...	...	30,247

Compared with the corresponding six months of 1855, the increase is £17,714,059, or 41 per cent.

With regard to imported commodities, the arrivals during the month of June have been upon an average scale. They include some considerable quantities of grain. The consumption of articles of food and luxury shows, in several instances, among which are coffee, sugar, cocoa, spirits, wine, and spices, a slight diminution. Tea and tobacco exhibit an increase.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption:—

Months ending June 30th, 1856, and June 30th, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	211,068	313,641	211,068	313,641
Grain of other descriptions, qrs. ...	136,500	444,817	136,500	444,817
Indian corn, qrs. ... ..	196,200	60,778	196,200	60,778
Flour and meal, cwt. ... ..	449,683	92,079	449,683	92,079
Provisions—Bacon, &c. &c., cwt. ...	120,077	162,786	Free.	Free.
Butter and cheese, cwt. ... ..	76,311	72,665	73,645	73,832
Animals, No. ... ..	9,314	16,079	Free.	Free.
Eggs, No. ... ..	14,630,600	15,938,800	14,630,600	15,938,600
Cocoa, lb. ... ..	1,206,829	1,022,455	244,964	233,964
Coffee, lb. ... ..	8,257,570	6,120,912	2,628,930	2,565,733
Sugar, cwt. ... ..	819,933	1,035,911	766,824	711,545
Tea, lb. ... ..	7,425,706	6,507,055	4,774,890	5,358,122
Rice, cwt. ... ..	402,312	261,690	97,354	159,373
Spirits, gallons ... ..	917,753	1,353,837	336,520	303,826
Wines, gallons ... ..	1,016,151	1,131,521	584,313	575,407
Tobacco, lb. ... ..	2,451,266	1,613,824	2,453,330	2,551,702
Currants, figs and raisins, cwt. ...	5,274	8,230	16,536	19,241
Lemons and oranges, bushels ...	21,193	27,330	14,433	25,330
Spices, lb. ... ..	982,369	315,750	244,360	205,785
Ditto, cwt. ... ..	2,971	8,906	255	2,080

The following are the comparative imports and exports of raw material, showing a large increase in flax and tallow:—

Months ending June 30th, 1856, and June 30th, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	82,756	194,609	—	—
Hemp, cwt. ... ..	93,584	85,783	—	—
Raw silk, lb. ... ..	651,321	581,954	195,186	199,360
Cotton, cwt. ... ..	1,168,564	1,287,568	77,083	169,212
Wool, lb. ... ..	11,762,432	9,916,299	1,951,311	2,638,142
Tallow, cwt. ... ..	53,630	77,568	—	—



Months ending June 30th, 1856, and June 30th, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Silk manufactures of Europe, lb.	53,858	37,444	52,576	38,988
Ditto of India, pieces ... ..	92,582	75,044	10,202	6,287

**THE BANK OF FRANCE.**

DEBTOR.	F.	C.
Capital of the Bank .....	91,250,000	0
Ditto, New .....	91,250,000	0
Reserve of the Bank .....	12,980,759	14
Ditto, New .....	9,125,000	0
Ditto in landed property... ..	4,000,000	0
Bank notes in circulation .....	554,511,6	0
Ditto of the branch banks .....	55,56,900	0
Bank notes to order .....	5,156,948	57
Receipts payable at sight .....	4,83,773	0
Treasury account-current, creditor .....	118,886,966	72
Sundry accounts-current... ..	136,545,719	22
Do with the branch banks .....	22,856,187	0
Dividends payable .....	1,470,114	25
Discounts and sundry inter- ests .....	1,357,778	77
Commission on deposits ... ..	6,348,690	28
Re-discounted during the last six months .....	2,268,387	81
Protested bills .....	2,457	24
Sundries .....	1,748,322	68
	<hr/>	
	F. 1,119,620,590	98

CREDITOR.	F.	C.
Cash in hand .....	110,587,964	84
Cash in the branch banks .....	134,616,222	0
Commercial bills overdue .....	701,475	31
Do. discounted, but not due .....	808,112,160	40
Ditto in the branch banks .....	293,285,474	91
Advanced on deposit of bullion .....	819,600	0
Do. by the branch banks .....	1,890,900	0
Do. on French public secu- rities .....	22,745,786	10
Do. by the branch banks .....	5,646,570	0
Do. on railway securities .....	17,246,100	0
Do. by the branch banks .....	8,758,100	0
Do. to the State on agree- ment of June, 1848 .....	50,000,000	0
New shares, not disposable .....	32,500	0
Government stock reserved .....	12,980,750	14
Ditto disposable .....	52,189,	60 83
Hotel & furniture of the Bk. .....	4,000,000	0
Landed property of the branch banks .....	5,003,402	0
Expenses of the Bank ... ..	465,553	49
Premium on the purchases of gold and silver .....	431,698	77
Sundries .....	1,040,477	69
	<hr/>	
	F. 1,119,620,590	98

This return is again unfavourable, the bullion which exhibited a falling off of £895,000 in the preceding month now showing a further reduction of £690,000. The stock held is consequently reduced to £9,805,000. The note liabilities have increased £38,000; the advances on stocks £32,000



and those on railroads £242,000. The discounts also have been extended £652,000, and the demand for money is likewise evidenced by a diminution of £207,000 in the deposits of the public. The Treasury balance has increased £192,000, and an advance of £200,000 made to the Government appears to have been repaid. Notwithstanding the large falling-off in the bullion, £12,000 has been expended in premiums for the purchase of gold.

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## **Banking and Commercial Law.**

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### **ON THE EFFECT OF DEALING WITH A BRANCH OF A BANK.**

An important question on this subject has lately arisen, and after more discussion than we should have expected, has been decided according to the understood rule of bankers. The question was this: If a party holding a cheque drawn on a branch of a bank, presents it at another branch and gets cash for it, and no special terms are mentioned at the time, is it to be presumed that this was payment of the cheque on the credit of its drawer, or cashing it on the credit of the holder? On the answer to this question would depend the right of the branch bank cashing, to recover from the holder, in the event of the cheque proving to be worthless.

The facts of the case, as proved, were, that Stuckey's Banking Company was a single establishment, having branches in Glastonbury and Bridgewater, and other places. A person named Hellier drew a cheque upon this branch at Glastonbury, with which he kept an account, and paid the cheque to Tear, who presented it at the branch at Bridgewater, where he was known, and obtained cash for it, nothing being said as to whose credit it was cashed for. The cheque was duly forwarded and dishonoured, and notice of the dishonour given to Tear, and ultimately an action was brought against him to recover the amount he had obtained.

On the part of Tear, it was argued that the Banking Company paid the amount of the cheque to him, as the bankers of Hellier, and on his account; that if the branch at Bridgewater had refused payment, Tear might have gone to Glastonbury the same day, and there obtained cash;—that if bankers cash a cheque, without at the time intimating they do so on the credit of the party presenting, they are presumed to pay it on the credit of the drawer, whether they have or have not funds of his in their hands at the time—that here the payment was made in discharge of a liability by the Banking Company, and not by way of exchange for a security given by other parties—that



distinct notice should have been given that the cheque was not paid for the drawer.

On the other hand, it was argued that each of the branch banks was, for the present purpose, perfectly distinct—that the cheque, on its face, purported to be drawn on the Glastonbury branch, and therefore the payment of the amount of it by the Bridgewater branch must stand on precisely the same footing as if it had been a cheque drawn on a totally distinct bank.

The Court said:—"The cheque was not drawn on the banking company generally, but on the banking company at Glastonbury, and this, coupled with the fact that Hellier kept his account there, and his balance only there, shows that the Bridgewater establishment was not bound to know his cheque, even supposing he had assets at Glastonbury, as a banker, under the same circumstances as to assets, is bound to know the cheque of his customer. To hold that the customer of one branch, keeping his cash and account there, has a right to have his cheque paid at all or any of the branches, is to suppose a state of circumstances inconsistent with any safe dealing on the part of the banker; but it cannot be presumed, without direct evidence of such an agreement, and the giving on the one hand, and accepting on the other, of a limited cheque book, seems intended to guard against such an inference. If, then, Hellier is not to be taken to have drawn the cheque on the company simply, or on the Bridgewater branch separately, and had no authority to draw on either, so as to enforce payment, we think the Bridgewater branch cannot be properly considered to have paid the cheque as bankers, or to his credit: and if so, they must have paid it on the credit of Tear, & as much as if they had given him change for a bank note, both parties believing it to be genuine, in which case, if it turned out to be forged and worthless, an action might clearly be maintained to recover back the money advanced."—*Woodland v. Tear*, 26 Law Journal (Queen's Bench), 202.

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#### RECENT ALTERATIONS IN BANKING AND COMMERCIAL LAW

THE chief alterations in banking and commercial law during the past session of Parliament, relate to fraudulent trustees and to Joint Stock Companies, but as the acts are not, at the time this is written, printed by the Queen's printers, we are compelled to defer our notice of them until next month. We believe the act for punishing fraudulent trustees has passed in the same state as it appeared in the last number of the Magazine.

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## Legal Miscellany.

July 22nd.—(Before Vice-Chancellor KINDERSLEY.)

THE WESTERN BANK OF LONDON,

WILKINS V. ROEBUCK AND ANOTHER.—THE MANAGER'S SALARY.

ON the 22nd July, a motion was made before Vice-Chancellor Kindersley, by Mr. Glass and Mr. Drewry, on behalf of Mr. Wilkins, the holder of five shares in the Western Bank of London, to restrain Mr. Roebuck, as governor of the bank, from affixing the common seal of the company to a deed securing to their manager, Mr. Clack, a sum of money, in the event of the bank ceasing to carry on business, or of his services not being required before the end of five or seven years. It appeared that in 1855 the Western Bank of London was desirous of securing the services of Mr. Clack as manager, that gentleman having had twenty-one years' experience in the London banking business. At this time he was manager of the Regent-street branch of the Union Bank. He was offered £1,200 a-year for his services; but being unwilling to terminate his existing engagement, he declined, and was ultimately offered £1,500. After some correspondence with the directors, among whom were Mr. Roebuck and Sir E. Bulwer Lytton, he accepted the engagement, although apparently with some reluctance at leaving his situation. The deed in question, which was now said to have been *ultra vires* of the directors, had been engrossed, and left in the care of the bank's solicitor, Mr. Rymer, who has since ceased to be their professional adviser. On the 5th May, 1857, the deed was sent for from Mr. Rymer's office, and brought to the board-room, where the board of directors resolved that it should be executed, the meeting being a special meeting of the directors. It was stated that the deed merely carried out a preliminary agreement which had been resolved on at a previous meeting, and it was signed and sealed by Mr. Roebuck as governor of the bank. It was said that the only power the directors had in reference to the deed was given by the 108th clause, which related to contracts with private persons under the common seal. The 109th clause related to papers not under seal. It was contended that the deed in question did not come within either of those clauses. The plaintiff's counsel submitted that the directors had signed the deed without a full knowledge of its effect or of their own powers; that the execution of the deed, if within the power of the directors, was in an equitable sense a fraud on the power, and was executed in the absence of their legal adviser, Mr. Rymer, who might have made them fully aware of its effect, and have made them cautious before they executed it; that they were not a "board duly authorised" by the proprietary to execute a deed providing for a pension or annuity to their manager, in the event of his retirement becoming necessary; that the execution of the deed had been precipitated by the party who derived benefit under it, in the absence of the solicitor; that supposing the circumstance under which the deed had been executed did not make it void, the deed itself was void on the face of it, the express powers given by the deed to the directors to give superannuation to the officers after twenty years' service, excluding the power of executing the present deed, securing to Mr. Clack £1,000 a year in the event of his removal within five or seven years; that the effect of the deed was to secure to Mr. Clack an annuity even after the bank, as a bank, had ceased to exist; and that it was void,



and must be set aside, and the directors must be restrained from paying, and Mr. Clack from receiving, any money under it.

Mr. Baily and Mr. Wickens opposed the motion, submitting that upon the evidence it would appear that these proceedings had originated in the pique of Mr. Rymer, the solicitor, in consequence of his removal from that office under the bank. The deed had been prepared from a preliminary agreement, drawn up and signed by Mr. Rymer himself, in February, 1856. Why was it that this gentleman—the solicitor to the plaintiff, Mr. Wilkins, who was his relative—made it a ground of objection that this deed had been executed without his professional advice on the 5th of May, when there was abundant opportunities of giving that advice before that date, of which he had not availed himself, and even before he had got the deed engrossed and prepared in his own office? The directors, in signing the deed, had considered, and properly considered, that they were performing a formal act of honesty and liberality towards Mr. Clack, who had left a good situation, and was willing to devote his abilities to the Western Bank on receiving a guarantee against any accident, which, however, might possibly, never happen. The bill was really and truly Mr. Rymer's, and alleged that the execution of the deed was a fraud between Mr. Roebuck and Mr. Clack, to enable the latter gentleman and the governor to play into each other's hands. As there did not exist a particle of evidence which showed the probability of this, they insisted that the Court would not only refuse the motion, but refuse it with costs.

The Vice-Chancellor, before the reply, reminded the plaintiff's counsel that the bill admitted there was nothing fraudulent in the deed on the face of it, but that its fraudulent character would appear from extrinsic circumstances.

Mr. Glasse having replied,

The Vice-Chancellor said, if the bill had merely raised a question as to the authority of the directors, or their discretion in the exercise of it, he should have directed the motion to stand over until the hearing. But, as it contained charges of fraud and concealment, he thought it better to dispose of it at once. He could neither refuse the motion nor grant it without deciding the question. The deed provided that the seal was not to be affixed except by the directors, or a committee of the directors duly appointed, or by one director with others. The bill assumed that it was competent to the court of directors to affix the seal to the deed in question; but it went on to allege that Mr. Roebuck had, after all the directors had left, gone down with Mr. Clack into his private room and affixed the seal. The plaintiff had further alleged that this had been done by consent and pre-arrangement for fraudulent purposes of their own, and without consulting the other directors, and without informing them or Mr. Rymer about it. So far from this alleged fraud being proved, all the extrinsic evidence completely disproved it. So far from pre-arrangement and concealment, the intended execution of the deed was distinctly brought to the attention of the other directors, and they, on the faith of its being a deed prepared by their own solicitor, and brought from his own office, had resolved and ordered, all of them, that the seal should be affixed. Finding that to be the result of the evidence, he should be departing from the principles on which the Court acted, if he gave the relief prayed upon such allegations, or even allowed the motion to stand over until the hearing. He must refuse the motion, and, of course, refuse it with costs.



*Court of Bankruptcy, Basinghall-street, August 3rd,—(Before Mr. Commissioner GOULBOURN.)*

**THE ROYAL BRITISH BANK.—IN RE COCHRAN.**

At the Court of Bankruptcy, on the 3rd of August, Mr. Commissioner Goulbourn held a sitting for the proof of debts and choice of assignees under the estate of this bankrupt, who had been a director of the Royal British Bank. The liabilities beyond the amount owing to the Royal British Bank are not known. The assets consist chiefly of debts due from bankrupt and other estates. The only proof tendered to-day was one in behalf of the Royal British Bank for £7,823, on a cash credit granted to Cochran, who has not hitherto surrendered to the bankruptcy. The proof was admitted. Mr. James Tressam Burke of Gresham-street, one of the assignees of the Royal British Bank, was appointed trade assignee.

*August 5th.—(Before Vice-Chancellor KINDERSLEY.)*

**THE ROYAL BRITISH BANK.—SHAREHOLDERS' LIABILITY.—ALLEGED FRAUD.—EX PARTE BROCKWELL.**

On the 5th August, Vice-Chancellor Kindersley gave judgment in this case, which had been previously argued before him, upon the following facts, by Sir F. Kelly. Mr. Glasse and Mr. Lewis, on behalf of the official manager, and by the Attorney-General, Mr. Selwyn, Mr. Giffard, and Mr. E. R. Turner, for Mr. Brockwell.

In March, 1856, Mr. Brockwell became a subscriber for three shares of £100 in the Royal British Bank. He was returned and registered, and in June following paid his £50 deposit per share, and signed the deed. In the latter part of that year he received a dividend upon his shares, as also in June, 1856. In the September following, as is well known, the bank stopped payment, and when proceedings were taken in the Bankruptcy Court Mr. Brockwell, in November, having discovered the real nature of the transactions connected with the bank, insisted that he had not become a shareholder, the purchase of his shares having been obtained by fraud, and that he was entitled to recover his subscription, as money had and received to his own use, and the company being no longer solvent, he proceeded to prove his debt in bankruptcy against the company. This company, like others, made a series of annual reports, containing a great mass and variety of figures, and there were two prominent items in the report of 1854. These were loans on convertible securities for short periods, advances, discounts, &c., £804,758 16s. 7d.; the other item being a statement of the balance in hand of £38,371 13s. This last was said to be a great exaggeration of the truth, made up of bad debts. These reports got into circulation, and Mr. Brockwell, being a depositor in the bank also since 1852, saw these reports, and being, as he said, deceived by them, was induced to take shares, and the question was whether, under these circumstances, he was absolved from liability as a shareholder, and therefore not liable as a contributory. The case now came on upon adjourned summons from chambers, in the form of an application, in substance, to place him on the list.

The Vice-Chancellor said, that the question was whether Mr. Brockwell ought to be put upon the list of contributories under the circumstances. The company was formed by royal charter in 1849; in February, 1855, they obtained a second charter, and enlarged their capital, and Mr. Brockwell took three of the new shares. Mr. Brockwell said, and there was no



doubt of the fact, that he had from time to time inspected the reports that were made by the directors as to the condition of the bank, and in reliance upon them took the shares. Now, with respect to the legal question how far a person was liable who was taking shares in a joint-stock company on the faith of representations turning out so be false, how did the matter stand as between individuals? If a person by fraud induced another to enter into a contract with him, beyond all question the party making the fraudulent representations had no right to enforce that contract; and any system of laws which did not embrace that principle was not worthy of a civilised country. The person so deceived had a right to treat the contract as not binding upon him. Suppose a person, in the course of a business which was a losing concern, in which he had lost all his capital, and incurred heavy debts, induced another to agree to a partnership with him, representing the business as very flourishing, and yielding a large annual profit, and with a capital undiminished, it was clear that he could not insist on maintaining that partnership, or compel the person deceived to contribute to his losses. Put the case of an agent to negotiate a matter making false representations, although such agent might not be authorised to make such representations, still the contract could not be insisted upon. If such was the rule with respect to persons, could it make any difference if the party making the false representations was a company, a body, a corporation, suppose a partnership of four? Applying that principle to the facts of this case, how did the matter stand? Upon the evidence, it appeared, beyond all doubt, that the annual reports of this bank made representations which were entirely false, and in that sense fraudulent, more particularly the 4th of December, 1854, the last before Mr. Brockwell took shares. The evidence was chiefly that of Mr. Esdaile, who was deputy-governor and acting director of the bank from 1852 to the time when it stopped payment, and also of Mr. Anderson, who was bill clerk. It would not be too much to say that the company was brought into existence by fraud, which was contained in the application to the Board of Trade, &c. His Honour then referred to the representation that there was £50,000 paid-up capital, when it appeared that £7,600, and £4,300 was secured only by promissory notes. The evidence showed that before the issuing of the new shares the directors were aware that if the rigid truth were published the bank must stop, and the shareholders would be brought down. The course was this:—Never, from the beginning of the bank down to 1854, was a single shilling of bad debt written off, no allowances were made for doubtful debts, which was a gross breach of duty; and in cases where persons who owed debts were bankrupt or insolvent, nay, even where the debts were proved and dividends received, they were continued as assets to the full amount; and where debtors had been compounded with for less than 20s. in the pound, the debts were still introduced as available. One would have thought this enough, this glut, this redundancy of fraud; but interest was continued to be computed on every one as if yielding interest; it was almost incredible that any man could be guilty of such fraud. On the faith of these accounts they got their new charter, and new shares were issued and taken up, when, on the 31st of December, 1854, the bad debts amounted to £25,791, and the doubtful to £94,564; the whole paid-up capital being nominally only £50,000. Now came the question whether those false misrepresentations which were prepared by the directors and submitted to the body of shareholders at the general meeting in February, 1855, were the representations of the company or to the company. The dividend of £8 was immediately paid, and although the reports were not circulated by the express direction of the company or directors, yet it was with the acquiescence or consent of



the body of directors that they were published in the newspapers, &c. What was the law of the case? It was clear from all the cases, that if a company made representations which were false, the person induced to take shares by those representations had a right to say that he was not bound; but if the report was made by some individual, not the agent of the company authorised to make such reports, though the party misled had a right of action, he was still bound, as between him and the shareholders, to contribute towards the payment of the debts of the company. That was laid down by the Master of the Rolls in Bell's and Rolt's cases, and commended itself to good sense. If a man was employed to negotiate, the principal was liable. The question as to the reports in question was settled by the case of the National Exchange Company of Glasgow) 2 Macq. pp 125 and 130), by the observations of the Lord Chancellor and Lord St. Leonards, where it was decided that representations made in the shape of a report by the body of directors at a general meeting of the shareholders, if it got into circulation, was the representation of the company. It was ingeniously argued that the directors were the only deceiving parties. When a company, from its very nature, could only act by its directors, it was their duty to make true reports, which, when adopted and acted upon, became the reports of the body, and were not necessary to be published to the company specifically. The Lord Chancellor expressed himself thus:—"I think the exigencies of society demand that reports so made and circulated should be deemed the reports of the company;" and Lord St. Leonards added his opinion to the same effect. That authority was amply sufficient to decide the present question, but if his Honour had been called upon to act *de novo*, he would have had no hesitation in saying that the very exigencies of mankind required that such should be the rule; and, if it was not, the Legislature ought immediately to pass an act to suppress all joint-stock companies, which would otherwise be mere instruments of fraud. Many ingenious arguments were used against Mr. Brockwell. One was, that at the foot of the report was printed "For the use of proprietors only," and it was therefore said they were not intended to be circulated; to allow such a flimsy contrivance to escape would be contrary to common sense. Next, it was said that Mr. Brockwell had received money, and must reinstate the company before he could object; but as a pecuniary transaction, the balance was in his favour. Next, it was said that others were induced by Mr. Brockwell's name to take shares; but that assumed that they were liable, when, if deceived also, they were not. It was like the case put of a highwayman robbing one out of a party, or one of £20 and another of £10, did that give a right of contribution? It was also said that another report being made after Mr. Brockwell took shares, he was a member, but that crumbled into nothing upon examination, for it assumed the whole proposition that he was a shareholder, which he repudiated, and when he did so, it was *ab initio*. If the other shareholders did not repudiate, it was their own fault, and thus eighty were put unresistingly on the list. It was also said, upon the interpretation clause of the act, that a member was a contributory; if that were so, the grossest case of fraud, in which all were concerned, would make an innocent holder of shares liable, and the only sense in which he was a member was if he did not repudiate. None of these arguments had any validity, and if a company made false representations, and any person took shares, those persons, on discovering the falsehoods, had a right to repudiate the contract; and if it were to be decided otherwise, such decision would be contrary to natural justice and common sense and honesty between man and man. Dodson's case was said to have decided otherwise, but that was not so. Mr. Brockwell ought not to be put upon the list of contributories. Costs out of the estate.



*Liverpool, August 11th.—(Before Mr. Baron CHANNELL.)*

**ACTION AGAINST THE LANCASTER BANKING COMPANY ON A BILL OF EXCHANGE.  
MOORE AND ANOTHER v. BUSHELL. P.O.**

In this action, which was tried at Liverpool before Mr. Baron Channell on the 11th August, it appeared that the plaintiffs, Messrs. Moore, carried on an extensive business at Manchester as iron merchants; and the defendants were the Lancaster Banking Company—a company who has organised branch establishments in various towns, and amongst other places at Preston. There was a firm which carried on business at Preston for some time as ironmongers, under the name of a person named Beverage. The business came to a termination in 1856, and it was subsequently transferred and carried on by James Wilson Chandler and his brother; but after a short time the brother retired from the concern, and the business was carried on solely by James Chandler. In December last, Mr. Chandler desired to commence business with the plaintiffs, and he wrote to them to that effect, giving a reference to the Bank at Preston; the bank reported favourably to the plaintiffs, and business transactions forthwith commenced. On the 18th of February, a bill, which had been given in the course of business for £118, was becoming due, the custom of Chandler being to place money for the purpose in the hands of the defendants at Preston. At his request the defendants undertook to meet the bill, and on the same day he lodged a cheque in their hands for £200. The bill became due about the 20th February, but it was not honoured. Application was made to Chandler, who told the plaintiffs he had given the money in the usual course to the bank, and that they had promised to pay it. Mr. Chandler afterwards got into difficulties, and made an assignment for the benefit of his creditors. A considerable balance was owing to the bank by him at the time of the dissolution.

Mr. Atherton, on the part of the defence, admitted the facts of the case, but raised various legal objections.

At the suggestion of his Lordship, a verdict was formally entered for the defendant, with leave to the plaintiff to move on the points raised in the Court of Exchequer.

*Court of Bankruptcy, Basinghall-street, August 14th.—(Before  
Mr. Commissioner FANE.)*

**THE ROYAL BRITISH BANK.—RE HUMPHREY BROWN.**

At the Court of Bankruptcy, on the 14th August, a sitting for the proof of debts and choice of assignees was held before Mr. Commissioner Fane, under the bankruptcy of Mr. Humphrey Brown, of Tewkesbury, and No. 2, Little Smith-street, Westminster, shipowner. The preliminary statement furnished to the official assignee discloses the following particulars, from a report drawn up by Messrs. Goodchap and Tyler:—

Total amount of creditors unsecured, £3,410 5s.; liabilities, £4,900; creditors holding security—Mr. R. J. Cabbell, 554; the Gloucestershire Banking Company, £10,277; Mr. Lindsay, Stroud, £700; Mr. Long, Cheltenham, £2,600; Mr. Minet, Overbury, £3 100; Mr. Payne, Stroud, £2,500; Ridlaw's executors, Cheltenham, £940; Mr. Job Smith, Overbury, £120; Miss Smith, ditto, £1,600—total creditors holding security upon meadow lands, cottages, and other property, £22,341; the Royal British Bank is returned as creditor for £63,673 5s., with this note appended—"This claim



as to amount is disputed, and has been referred to arbitration, under an agreement dated 2nd of February, 1857, the said arbitration is still unsettled." The bank is represented as holding the following property of the value of £64,129 14s. 7d.:—mortgage on household property at Tewkesbury, £628 14s. 7d.; the Helen Lindsay cost £9,078; the Magdalena, 11,107; the Hero, £1,648; the Ocean Wave, £7,452; the Hornet, £24,796; and the Ambrosina, £7,450. Only a portion of these securities have hitherto been realised.

Mr. Tucker, of the firm of Tucker, Greville, and Tucker, appeared as solicitors under the bankruptcy, and Mr. Linklater for creditors.

Mr. Linklater said he had to tender a proof for £1,154 7s. 4d. on behalf of an individual creditor, Mr. John Roberts, who sought to prove against the estate, as a shareholder in the Royal British Bank.

Mr. Ball, as counsel for the bankrupt, and other creditors, opposed the proof, on the ground that the assignees of the Royal British Bank had entered into an agreement to refer all matters of account to an arbitrator, which was still pending. He understood Mr. Linklater intended to prove on behalf of the assignees, but he had now changed his ground, and he (the learned counsel) submitted that a joint partner could not prove against the separate estate of the bankrupt. The proof ought to have been made either by the official manager or the assignees of the bank.—A lengthened discussion ensued, in the course of which Mr. Linklater referred to a case which had been decided in his favour by the Court of Review, and urged that Mr. Roberts was entitled to prove for the purpose of voting in the choice of assignees.

His Honour—Very well. Then I will make a memorandum in the margin of the proof restricting the admission of the proof to that effect.

Mr. Ball asked in what state they would be in if every individual creditor came forward to prove?

His Honour—No doubt it would be awful (a laugh); but, sitting here judicially, I am bound to admit the proof in the absence of your pointing out any precedents to the contrary.

Mr. Hampton, on behalf of several creditors, also objected to proofs by individual creditors being admitted, and said he had been so strongly advised that he should appeal against his honour's decision.

The proof was then admitted.

Mr. Linklater then put in a proof for £1,500 by the official manager on the part of Mr. Maxwell, for money lent to the bank.

Mr. Tucker opposed, on the ground that Mr. Harding, the official manager, had Mr. Brown in custody on an attachment in respect of this debt, and therefore could not prove until he released Mr. Brown.

Mr. De Metz said that the official manager had no power to sign a discharge without consulting the judge under whom he was acting.

His Honour—Then let him take away his proof, and go and see his master (a laugh).

Mr. Linklater said the effect of admitting the proof would be to release Mr. Brown, and his Honour had often said there was no use in keeping a man in prison.

His Honour—No. There were some cases in which a man might secrete himself, or run away and leave the country; my remarks would not apply to such cases.

Mr. De Metz—I tender the proof with all its consequences.

Mr. Tucker—Very well, then I withdraw my objection.

Proof admitted.

Mr. Jas. Roberts, of Uxbridge, was proposed by creditors to the amount



of £3,000, and the proofs in opposition to his appointment only amounted to £500, and he was therefore appointed to act as assignee.

The bankrupt, who was present, was liberated in the course of the afternoon. The examination meeting is fixed for the 19th September.

*Court of Bankruptcy, Basinghall-street, Aug. 16.—(Before Mr. Commissioner FANE.)*

**THE ROYAL BRITISH BANK.—RE HUGH INNES CAMERON.**

At the Court of Bankruptcy on the 16th August, Hugh Innes Cameron, the late manager of the Royal British Bank, was brought before Mr. Commissioner Fane, under his honour's warrant to apply for his discharge from custody.

Mr. Bagley, for the bankrupt, applied for his discharge from an attachment. On the 23rd of June; an adjudication was obtained against Mr. Cameron, on the 29th he surrendered and received his protection; on the 16th of July assignees were chosen and his protection renewed to the 13th of August, the day appointed for the last examination. Some difficulty had been experienced in obtaining the large amount of bail to meet the information filed by the Attorney-General. Bail had now been obtained, and on that detainer Cameron would be released within forty-eight hours.

Mr. Linklater, who appeared for the assignees of the Royal British Bank, said it appeared to him Mr. Cameron had the law on his side, and was therefore entitled to his release.

Mr. De Metz, for the official manager, asked for a copy of causes. When the attachment was served on the gaoler he refused to recognise it.

The Court ordered the bankrupt's discharge on the copy of causes being produced.

On the 13th August another meeting was held before Mr. Commissioner Fane, for the examination of Mr. Cameron, when

Mr. Linklater intimated that the bankrupt had not filed his balance-sheet, and suggested an adjournment until the end of October or beginning of November. The Commissioner granted an adjournment until the 30th of October, at twelve o'clock, with a renewal of protection to the bankrupt.

Mr. Cotterill, on behalf of Mr. Cameron, asked that a quantity of paper packets taken from him by the French authorities, and which, by arrangement, had come into the hands of Mr. Linklater, should be delivered up to him. They had no reference to his dealings as a trader, but they would be essential to him in preparing his defence upon the pending prosecution.

The Commissioner—I cannot make a general order for all the papers to be given up.

Mr. Cotterill suggested that a third party should examine the papers, and such as related to the trading should be left.

Mr. Linklater would not be satisfied with the examination of a third party. He claimed on behalf of the assignees, the papers as part of the property of Mr. Cameron. A list, certainly, had been taken, but large bundles had merely been described as "bundles of letters." He had no objection, regardless of trouble, to go through them with his friend, to ascertain which related to the dealings as a trader, and which related to Cameron's connection with the Royal British Bank, as that might be important for the prosecution. Letters which were private and related to family matters he should have no objection to delivering up.

Mr. Cotterill thought it would not be fair if these letters were used for



the prosecution. There might be matters which it would not be desirable to make public.

The Commissioner observed that Mr. Linklater would not read the amusing and entertaining stories; if he did, no doubt he would get a rap over the knuckles. He should leave the matter to the discretion of Mr. Linklater.

Mr. Linklater said he had had the papers sealed up until this application had been made, and no one had been permitted to see them. He must insist on seeing them himself.

The Commissioner said he could not interfere. He had no authority to order Mr. Linklater to deliver up papers which might be instrumental in carrying on the prosecution.

Subsequently, Mr. Cotterill offered to give his guarantee and take charge of the papers, but Mr. Linklater was immovable, and refused to part with them.

It is understood that the bankrupt declines to file any balance-sheet, of which advantage might be taken for the prosecution until after November, and the assignees have consented in the meantime to accept a statement of the debts and assets particularising the assets now to be collected.

A proof for £5,900 was tendered for calls made on Cameron as a contributory, which was admitted, and the proceedings terminated.

## **Reports of Joint-Stock Banks.**

### **LONDON CHARTERED BANK OF AUSTRALIA.**

THE fifth ordinary general meeting of the shareholders was held on the 26th of June, at the London Tavern, Mr. D. Dunhar, presiding.

The report of the directors submitted was as follows:—

The directors now submit their fifth annual report to the Shareholders, together with the accounts duly audited, showing the state of the bank's affairs up to the 31st December, 1856. The spirit of over-trading and speculation manifested in the Australian markets during the past year has necessitated the exercise of the utmost caution in conducting the affairs of the bank at the various branches; it is, however, a subject for congratulation that the corporation is gradually extending its business, and acquiring fresh claim to the confidence of colonists. The proposed establishment by the Government of the colony of Victoria of a bank of issue, attended with prospective restrictions on the operations of all existing banks, having excited some apprehension in the minds of several shareholders, the directors deem it right to advert to the subject. The project appears to have met with but little support, for the colonial public were not slow to perceive that a measure of this character, while calculated to defer the future introduction of British capital to Australia, was also at variance with the principles of free trade, and could not, therefore, be otherwise than opposed to the true interests of a community essentially dependent on commerce for its prosperity. Under these circumstances, it is gratifying to the directors to be able to announce to the proprietors, that the measure in question has been abandoned. The latest advices received from the colonies are as follows, viz.—Sydney, 11th April, and Melbourne, 15th April. The letters of the inspector represent the bank's operations to be of a satisfactory character, and its business steadily increasing. The accounts



now placed before the shareholders are made up to the 31st of December last. From these it will be seen that after the usual deductions, there remains to the credit of profit and loss, the sum of .. £22,977 6 1  
From which the directors recommend a dividend to be paid of 2½ per cent. for the half-year ending 31st December last, viz. ... .. 16,875 0 0

Leaving a balance of ... .. £6,102 6 1  
to be carried over to the next half year.

The directors and auditors now go out of office, but being eligible for re-election, offer themselves accordingly.

*Balance-sheet, 31st December, 1856.*

**LIABILITIES.**

Notes in circulation	...	...	...	...	£253,726	0	0
Bills payable and other liabilities	...	...	...	...	398,062	13	3
Deposits	...	...	...	...	371,341	16	2
<hr/>							
Total due to the public	...	...	...	...	1,024,130	9	5
Capital—Original capital paid up	£500,000	0	0				
Second capital paid up	200,000	0	0				
<hr/>							
Profit and loss	...	...	...	...	700,000	0	0
					22,977	6	1
<hr/>							
						£1,747,107	15 6
						<hr/>	

**ASSETS.**

ASSETS.						
Coin and bullion	...	...	...	£658,599	2	0
Balances due by other banks	...	...	...	96,759	11	5
					755,358	13 5
Bills receivable and other securities	...	...	...	942,843	19	0
Freehold, leasehold, and other property of the corporation				43,244	10	6
Open policies	...	...	...	1,496	5	6
Stamps	...	...	...	483	3	11
Preliminary expenses	...	...	...	3,681	3	2
				£1,747,107	15	6

*Profit and Loss Account.*

To dividends, viz. :—

Fourth dividend of 2 per cent. for half-year ending 31st December, 1855	...	...	...	£11,006	0	0
Fifth dividend of 2½ per cent. for half-year ending 30th June, 1856...	...	...	...	14,375	0	0
<hr/>						

25,375 0 0

Proportion of preliminary expenses, viz. :—

For half-year ending 30th June, 1856	581	4	4
Ditto, 31st December, 1856	581	4	4
<hr/>			

1,162 8 8

Balance carried down ... .. 22,977 6 1

£49,514 14 9



By balance at 31st December, 1855, per last statement ...	£11,103	14	11
Balance of profits in London and in the colonies, for the year ending 31st December, 1856, after deduct- ing current expenses ... ..	38,410	19	10
	<u>£49,514</u>	<u>14</u>	<u>9</u>
By balance brought down ... ..	<u>£22,977</u>	<u>6</u>	<u>1</u>

The following resolutions having been moved and seconded, were carried unanimously—

Moved by the chairman, seconded by William Tite, Esq., M.P.:

1. That the report now read, with the statement of accounts, be approved and adopted, and that the same be printed and circulated amongst the proprietors.

Moved by the chairman, seconded by Joseph Robert Morrison Esq.:

2. That a dividend of 2½ per cent. (clear of income tax) be now declared upon the paid-up capital of the company, for the half-year ending 31st December last; and that the same be payable on and after the 15th July next.

Moved by Henry Haines, Esq., seconded by William Tite, Esq., M.P.:

3. That the directors and auditors now in office, viz. —Duncan Dunbar, William Fane de Salie, Anselmo de Arroyave, Charles George Earnett, Richard Henry Browne, James Denis de Vitre, Thomas Dyer Edwards, Charles Falconer, James Fraser, Partrick Douglas Hadow, Alexander Hoyes, Fowler Newsam, and James Nelson Smith, Esquires, Directors; and John Gurney Hoare, and Thomas Chapman, Esquires, Auditors, be severally and respectively re-elected.

Moved by John Masson, Esq., seconded by A. H. McDougall, Esq.:

4. That the most cordial thanks of this meeting be given to the chairman and directors for their able and judicious management of the company's affairs during the past year.

Moved by the chairman, seconded by the deputy-chairman:

5. That the best thanks of the meeting be, and they are hereby tendered to the inspector, John Bramwell, Esq., and also to the local directors and managers, for their attention to the interests of the company during the past year.

(Signed) D. DUNBAR, *Chairman.*

The chairman, in moving its adoption, said the statement of accounts which accompanied it, in accordance with a wish expressed previously, had been made more full than formerly; but if not deemed sufficiently detailed, he was willing to give to every shareholder as much information as he possessed himself. (Hear.) The amount of profit and loss put before them was £22,900, and did not appear so large as they might have expected; the gross amount of profits was £82,000, but the London and colonial expenses amounted to £31,000. (Hear hear.) A very large sum he admitted, but, with one exception, he did not see how the expenses could be reduced one shilling. (Hear hear.) To show this, he might say that only a short time ago they lost one of their best men, who was taken away, as manager, by another bank at a higher salary; and if they were to retain zealous and able servants, it was clear that they must pay them well. (Hear hear.) Then there was a sum of £2,400 for the expenses of Messrs. Browne and Falconer's being sent out to the colony, which would not appear again, and bad debts amounting to £10,374 had been written off



during the year. These debts, however, belonged to bygone years, and he was happy to say that during the last nine months not a single bad debt had been made. (Hear hear.) They had also written off £2,500 for their leasehold property at Sydney and Geelong, and £1,350 for their preliminary expenses, of which, out of £11,000, the original amount, only £3,681 now remained to be paid—(hear hear)—and he felt justified in saying that the bank was never in a better position than at that moment. The great point now was that being fairly established, and free from bad debts, their business should increase, while their expenses would not increase, and from that alone could he hold out to them any hope of a larger dividend at a future day. At the previous meeting a wish had been expressed to return a portion of their capital, but it appeared that this could not be done without getting a fresh act of Parliament, and the directors thought it better to employ the capital in business than to do so. With regard to their bad debts, he could assure them that they were not greater than had fallen upon many private individuals engaged in trade with the colony, and the shareholders would see this when he told them, upon the authority of the Melbourne Chamber of Commerce, that the amount of debts adjudicated upon by the Insolvent Court at Melbourne during the years 1853, 1854, 1855, 1856, and the first three months of 1857, was no less than £2,827,000, for which the dividend was only 6½d. (Hear hear.) In conclusion he moved the adoption of the report.

Mr. Tite, M.P., in seconding the motion, said the explanatory statement of the chairman had given perfect satisfaction to himself, and he hoped also to the meeting. (Hear, hear.) At the same time he wished to know if there was any objection upon the part of the directors to stating the items of the expenses of management?

The Chairman said, none whatever. Directors, £1,850 (entitled under the charter to £3,190)—(hear, hear)—salaries £1,200; rent, taxes, &c., £362; general expenses, £677; and expenses of Messrs. Brown and Falconer's going out to the colony, £2,400. That was all. (Hear, hear.)

Mr. Tite was perfectly satisfied upon that head; but suggested that, as their capital being too large avowedly, the expense of obtaining an act of Parliament ought not to prevent the return of a portion to the shareholders. He also thought that ½ per cent. might be added to the dividend.

The Chairman assured the meeting that the directors had given their best attention to the subject, and he recommended them to leave the dividend as it stood.

Mr. Tite relied fully upon the prudence of the directors, and therefore withdrew his suggestion.

A Shareholder inquired whether the amount entered as "deposits" on the account consisted of deposits on which interest was paid, or balances kept back?

The Chairman replied, the latter, as there were no deposits bearing interest.

The report was then adopted, and a dividend of 2½ per cent., free of income-tax, was declared for the half-year.

The chairman, directors, and auditors were unanimously re-elected; and the proceedings closed by a vote of thanks to the chairman.



## CARLISLE CITY AND DISTRICT BANK.

THE directors have declared a dividend of 5 per cent. and a bonus of 5 per cent. for the half-year ending 30th June, 1857, being equal to 20 per cent. per annum, both payable on the 6th of August. The profits during the half-year, after paying all expenses, amount to £6,639 7s. 3d., being at the rate of £22 17s. 10d. per cent. per annum on the paid-up capital of £58,000. After paying the dividend and bonus, and writing off losses amounting to £50 6s. 8d., there will remain in the auxiliary fund a sum of £1,882 19s. 3d., subject to the deduction of one-half year's income tax. The guarantee fund remains complete at £19,333 6s. 8d.

## NORTHAMPTONSHIRE UNION BANK.

THE directors of this bank held their half-yearly meeting on Monday, the 27th of July. The auditors' report, which was laid before them, showed the profits for the half-year ending the 30th June last to be (with the surplus £1,184 15s. 5d. brought forward on the 1st January) £14,771 5s. 5d., and they were appropriated as follows:—

Dividend of 8s. per share	...	...	...	...	...	£10,600	0	0
Income tax	...	...	...	...	...	707	15	6
Surplus carried to next half-year	...	...	...	...	...	3,463	9	11
						<u>£14,771</u>	<u>5</u>	<u>5</u>

## SHEFFIELD UNION BANKING COMPANY.

THE fourteenth annual general meeting of this bank was held on Wednesday the 15th July (Mr. William Smith, of Barnes Hall, in the chair), when the following report was presented:—

The directors have to announce that, after payment of all expenses, and of the income tax, the profits for the year amount to	...	...	...	...	£12,567	15	5
Less estimated and ascertained losses	...	...	£395	8	0		
But deducting over estimate in former years	...	77	0	2	318	7	10
					<u>£12,249</u>	<u>7</u>	<u>7</u>

Of this there has already been paid, as half a year's dividend (at the rate of 10 per cent.) on the former capital of £61,200, the sum of

...	...	...	£3,080	0	0		
And another is now declared at the same rate, but on the increased capital of £81,600, and requiring the sum of	...	4,080	0	0	7,140	0	0

Leaving ... .. £5,109 7 7

To be added to the surplus fund, the state of which will then be as follows:—

At last meeting it amounted to	...	...	...	...	£16,450	1	4
Less than voted to directors	...	...	£210	0	0		
Ditto ditto officers	...	...	105	0	0		
					<u>315</u>	<u>0</u>	<u>0</u>
					<u>£16,135</u>	<u>1</u>	<u>4</u>



At 31st December last a sum of	...	...	...	...	£10,200	0	0
was converted in capital, leaving	...	...	...	...	5,935	1	4
Add the above balance of	...	...	...	...	5,109	7	7
<b>Making</b>	...	...	...	...	<b>£11,044</b>	<b>8</b>	<b>11</b>

the present amount of this fund.

On this subject the directors would remind the shareholders that nearly one-half of the present capital of £81,600 has come from this fund (the exact figures being £44,360 paid up, and £37,240 derived from the surplus), and they take leave to congratulate their constituents on such a result of the bank's operations since its formation.

In accordance with the deed of settlement, all the directors now go out of office, but are willing to renew their services, if agreeable to the shareholders.

*Balance-sheet, 30th June, 1857.*

ASSETS.							
Cash and bills on hand	...	...	...	...	£87,140	19	11
Balances due to the bank	...	...	...	...	181,861	11	6
					<b>£269,002</b>	<b>11</b>	<b>5</b>
LIABILITIES.							
Capital, 6,800 shares, at £12	...	...	...	...	£81,600	0	0
Balances due by bank	...	...	...	...	169,218	2	6
Profit and loss	...	...	...	...	12,249	7	7
Surplus fund	...	...	...	...	5,935	1	4
					<b>£269,002</b>	<b>11</b>	<b>5</b>

The report was unanimously adopted, the directors were re-elected, and thanks were voted to them and to the officers of the bank.

**WESTERN BANK OF LONDON.**

A GENERAL meeting of the shareholders in this company was held at the banking-house, Hanover-square, on Monday, the 27th of July, Mr. Roebuck, M.P., in the chair, who opened the proceedings by calling upon Mr. Sheward, the secretary, to read the following report and statements of accounts:—

In accordance with the promise made to the meeting in May last, the directors have now the pleasure of laying before the proprietors the results of the operations of the bank during the first year of its existence. By the annexed statement it will be seen that after payment of interest to customers on their current and deposit accounts, amounting to £3,751 19s., discharging all current expenses, and writing off all bad debts and all bills over due, there remains a disposable balance of £7,743 14s. 9d. net profit, which the directors propose to appropriate in the following manner, viz.:—

In payment of a dividend at the rate of 3 per cent. per annum on the paid-up capital, for the half-year from 1st January to 30th June last	...	...	...	£3,000	0	0
In reduction of preliminary expenses	...	...	...	1,333	11	8
Placing to a reserve fund	...	...	...	2,243	16	0
Carrying to profit and loss new account for rebate in bills not due	...	...	...	1,166	7	1



By the above appropriation, the directors desire to indicate their wish not to receive any remuneration at present for their past services. (Cheers.) They beg to assure the proprietors that notwithstanding the many obstacles which have beset the bank at its commencement, the business is very steadily and satisfactorily increasing, and they feel the most entire confidence that, by a prudent and unflinching adherence to the legitimate principles of banking, they shall ultimately obtain for it a position among the most prosperous joint-stock banks of the metropolis. (Loud cheers.)

*Liabilities and Assets, June 30th, 1857.*

*Dr.*

Subscribed capital	...	...	£400,000	0	0
To paid-up capital, £50 per share on 4,000 shares	...	...	£200,000	0	0
Amount due by the bank on current deposit, &c., accounts, interest accrued, &c.	...	...	191,281	9	8
Profit and loss account	...	...	7,743	14	9
			<u>£399,025</u>	<u>4</u>	<u>5</u>

*Cr.*

By Government securities	...	...	£100,000	0	0
Bills discounted, promissory notes, loans on security, &c.	...	...	224,777	0	0
Cash on hand and at Bank of London	...	...	31,700	15	11
Freehold premises in Hanover-square, and premises in Brook-street unsold, and valued at upwards of £6,000	...	...	£19,700	0	0
Building and alterations	...	...	8,550	2	9
Fittings for offices, and house furniture	...	...	959	14	1
			<u>29,213</u>	<u>16</u>	<u>10</u>
Preliminary expenses	...	...	13,333	11	8
			<u>£399,025</u>	<u>4</u>	<u>5</u>

*Profit and Loss Account.*

*Dr.*

To rebate of interest on bills not due	...	...	£1,116	7	1
Dividend of 3 per cent. per annum on £200,000, for half-year from 1st January to 30th June	...	...	3,000	0	0
Amount written off preliminary expenses	...	...	1,333	11	8
Balance carried to reserved fund	...	...	2,243	16	0
			<u>£7,743</u>	<u>14</u>	<u>9</u>

*Cr.*

By balance brought down	...	...	£7,743	14	9
Gross profits	...	...	£16,745	11	8
To charges for current expenses, and bad and doubtful debts	...	£5,249	17	11	
Interest paid to customers	3,751	19	0		
			<u>9,001</u>	<u>16</u>	<u>11</u>
			<u>£7,743</u>	<u>14</u>	<u>9</u>
			<u>£7,743</u>	<u>14</u>	<u>9</u>

The Chairman—I have now to ask your assent to the report that you



have just heard read ; but before I do so I will state the order of proceeding that I propose for the present meeting. The financial concerns of the bank are matters for consideration by themselves, separate and apart from all others ; therefore, I shall first ask your assent to this report, and afterwards call attention to various transactions in which the bank, I am sorry to say, has been involved, and, as I believe, through no lapse of mine. A few months only having passed since our last general meeting, I have little to say to you now respecting the bank itself. You are aware that the bank was undertaken at a time which turned out to be one of great trial and hardship to persons engaged in such enterprises ; but we could not foresee that ; nor are the shareholders to blame for entering upon an undertaking under circumstances which no one, not even the most learned politicians, could possibly have supposed were about to come to pass. But so it was. You are also aware that the money market has been in an extraordinary state during the whole time of our existence as a bank. Notwithstanding that, however, by adhering strictly to the principle of banking, and by filling up a want which I believe to have existed, we have gone on in our course beset by many difficulties, but still gone on in a prosperous condition. It must be known to everybody who has heard or read the account before the meeting, that we are certainly not a large joint-stock bank ; nevertheless, there is one thing attending that which the public ought to bear in mind. We have a paid-up capital of a certain amount, and if we had very large deposits, that paid-up capital would bear a small proportion to all the money that we have. Therefore, a bank having small deposits is in reality a safer bank than one having larger deposits (hear.) So that while we are in the condition that we are in now, we are amongst the safest of the joint-stock banks existing in London (hear). When, indeed, as I hope to see it, the time comes that we shall have larger deposits, there will be larger returns to the shareholders, and therein I hope our prophecies may be fulfilled, and you hereafter, and very soon, derive from your venture an adequate and good return. We have done all that men could do. We have brought to the management of your concerns industry, intelligence I hope, and good faith (cheers). Those three things are requisite for the good government of a concern like this ; and, if we have failed in any of them, in your hands lies the remedy for the disease. You can get rid of us when you please at a general meeting ; and I do assure you, without meaning the least disrespect, that the situation of governor of this bank is not to me a matter of any concern whatsoever. It is for no object of high ambition that I have dedicated to the service of this bank such abilities as it has pleased God to give me (hear, hear), that industry which is marked by your books, and I fancy that plain, straightforward, honest conduct which has marked me through life (cheers). The bank has gone through a difficult crisis, I think with honour to itself, and honour to those who have directed its concerns. We have now brought you to the termination of the first year of its existence ; and in that year we are enabled to tell you that we make a dividend of £3,000. It rests with you to say whether you will accept of it. I will now ask your attention to the mode in which we have applied the funds which our successful operations have placed in our hands. The whole profit of the bank has been £7,743 14s. 9d., and I think it fair to the shareholders that out of that sum they should have some remuneration for their risk (hear, hear.) Our first proposition, therefore, is to give to the shareholders a dividend of three per cent. per annum on £200,000 for the half-year from the 1st of January to the 30th of June ; that is, £3,000. But whilst we say this to the shareholders, we also say we ought to look



back upon the past, and as we have incurred expenses we ought gradually to get rid of them (cheers). Accordingly, we have written off a very large sum, as I think, for the first year's operations—namely, £1,333 11s. 8d. on that account. And not only ought we to look to the past, but we ought to look forward to the future, and provide for difficulties such as the deed of settlement contemplates; and to that end, after carrying £1,666 7s. 1d. to profit and loss new account, for rebate on bills not due, we say, that having £2,243 16s. in our hands, we can apply it in no way so well as to a future reserve fund to provide against contingencies. (Hear, hear.) Thus we have consulted all objects; we have dealt fairly by the shareholders; we have been prudent as regards the past, by paying part of our debts; and we have been prudent as regards the future, by providing for future contingencies; so then, I think, we have done our best, both for you and for ourselves. Let me now say one word about ourselves, for at this point we come into view. You see, by the distribution we contemplate making, that we dispose of the whole of the funds. Now, I do not imagine there is a single gentleman present who fancies that any director sitting at this board has any abstract love of banking. As for myself, I will at once acknowledge that I have not; and if I am here, it is in the belief that in the performance of my duty I may be fairly remunerated for the trouble I take. (Cheers.) I think it is idle to profess that which I do not feel. It is something worse than idle. My time is my livelihood. I give you my time; I think it but fair that it should ultimately be rewarded. (Hear, hear.) But, gentlemen, we are at the commencement of an undertaking. I risk my time, you risk your money. I have a certain degree of power conferred upon me to serve your purposes, not my own; for not my own have I ever sought here, and not one single farthing has accrued to me personally since I became either governor or director of this bank. (Cheers.) And here it is but fair that I should take a brief view of the condition of the bank. We are in a very peculiar state. We are here, at the west-end of the town. The gentlemen who got up the bank fancied that there was a gap which we could well fill; that we could perform certain services to the trade at this end of the town; and therefore the bank was instituted. To that purpose we have directed our energies. We have not applied your money to any wild speculation, but we have applied it simply to the legitimate purposes of banking, discounting bills, and lending upon fair and proper security; and all for short time. (Hear, hear.) In the first year of our establishment we have done that; and we have succeeded to a point that the most successful joint-stock bank now existing, the London and Westminster, had not reached at the end of the first year of its existence. (Cheers.) I consider this therefore to be a good augury as to the future; and if we should ever come to be like the London and Westminster Bank, I am sure you will glorify your directors, and say what clever fellows they were! (Laughter.) If we should not, however, I fear a very different verdict will be given by you (No, no); but so long as we adhere strictly to principle—so long as we are just, honest, industrious, and fairly intelligent—so long I do not fear your verdict, or any verdict of any body of my countrymen like yourselves. (Cheers.) There are one or two other matters to which I would also call your attention. The profit that we have put down as profit is really so. We have paid every account; we have accounted for every bad debt. It is money clearly in our hands that we ask you to divide. We go upon no speculation of future profit. We have the thing in our own hands, and we ask you to divide it. (Cheers.) You must also recollect that we have paid, during our existence, interest upon all moneys that we have held of yours, and that a large sum has been spent in



that way, namely, £3,751. So that, in fact, the persons depositing money in this bank have got their fair remuneration for the money which they have lent it. We have done nothing, therefore, upon that matter which can be laid to our charge. We have fairly performed our part of the obligation, and no blame can be attached to us. I think also, looking to the past, that, for a young bank, we have paid off a very large proportion of our preliminary expenses. I will allow, as I have done before now, that those preliminary expenses were large; but you have a very beautiful house; you have, likewise, an exceedingly good staff, though I do not include myself in that staff, and I think that every man's labour ought to be fairly paid. You will never get good services without good remuneration, and I believe it to be for the interest of the people that in all cases their servants should be adequately remunerated (hear, hear). I do not pretend to any sentimentality upon that head. I have myself certainly exhibited some deviation from my own rule, for I have never yet got any thing by anything I ever did for the public. Still I believe it to be an excellent rule for the public good, that every man who is in their service should be adequately rewarded. I say then, that ours is not an extravagant payment of our servants here. We have adequately rewarded them; and we have had good servants in return. I have little more to say upon financial transactions. I believe the division we have made is the best calculated to promote the interest of the bank, and I now frankly and fearlessly call upon you to give your approval of the report submitted to you by your directors, and determine that the division of profits they propose is a wise and just division (cheers).

Mr. Vernel asked if the whole 4,000 shares had been allotted, and the deposit of £50 a share paid up?

The Chairman replied in the affirmative.

Mr. Arber would be sorry to differ from the board, but thought he could make a suggestion which, if adopted, would prove more beneficial to, and inspire more confidence in the bank, than the course recommended in the report. The £3,000 allotted for dividend was, in his opinion, a smaller sum than it was advisable to deal with in that matter. The sum of £7,743, as the net profit on the year, was, under the particularly disastrous circumstances which had accompanied all banking operations during the last year, highly satisfactory; but that sum was comparatively so small for division, that he thought it would be more desirable, after making a reasonable allotment towards the liquidation of the preliminary expenses, to carry the whole amount to the reserve fund (no, no). He begged to move as an amendment that the report of the directors be approved and adopted, with this exception, that £500 only should be allotted to the preliminary expenses, £1,166 7s. 1d. to the profit and loss account for the rebating of bills not due, and that the balance of £8,077 7s. 9d. should be carried to the reserve fund.

Mr. Blagden seconded the amendment, which was put from the chair, and negatived by an overwhelming majority.

Mr. Henage moved as an amendment that the sum of £3,000 recommended in the report should be paid as dividend, that £500 should be placed to the reserve fund, and that £1,000 should be voted to the directors as remuneration (cries of "no"). He was of opinion that where the services of gentlemen were rendered gratuitously business was seldom properly conducted; and, at all events, when they paid persons for their services they had a right to find fault.

The amendment, for want of a seconder, fell to the ground.

Mr. Arber, disclaiming any hostility to the directors, proposed, by way of



amendment, to reduce the sum allotted for preliminary expenses to £500, the surplus to be carried to the reserve fund.

Mr. Heneage seconded the amendment.

Mr. G. H. Jay opposed it, and said that the great blot upon the institution had been the enormous amount of its preliminary expenses, and that the sooner they rubbed that out the better. He hoped, therefore, they would not establish the precedent of appropriating £500 only on this account; if they did, it would be cited against them hereafter, and perhaps occasion their being twenty-six years in getting rid of the account. He advised them to leave the report as it stood. It would rub off one-tenth of the preliminary expenses, and still allow the remainder to extend over a period that would be quite long enough (hear).

The amendment was then put from the chair and rejected, and the original motion for adopting the report was agreed to unanimously amidst loud cheers.

The Chairman—Gentlemen, I have been stopped midway; and as I am considered to have been somewhat rash, I am very willing to listen to good advice—and I cannot have better advice than that of my honourable friend near me. He says that I can do my duty to you and the bank by simply saying, without going further, that we are ready to answer any question that you may think proper to put to us. That is not the course I had chalked out for myself; but yielding to the advice of more staid, and steadfast, and calmer heads than my own, I now say that I am ready to answer any question you please.

Mr. King said he highly appreciated the honourable manner in which the directors had acted in coming before them and not asking for remuneration, and he hoped before the meeting separated a resolution would be agreed to conveying the thanks of the shareholders to those gentlemen for their services. But he now rose for the purpose of referring to the auditors, and the way in which the accounts seemed to have been audited. Upon looking at the bottom of the balance-sheet it would be seen that there was a total absence of the old stereotyped phrases, and that the auditors spoke of having "carefully examined the books and accounts," and "all the cash, bills, notes, and securities forming the assets of the bank," and that they had found them to be "in order and correctly set forth." It was clear, therefore, that the audit must have been a searching one; and he begged to propose that the best thanks of the shareholders are due and are hereby given to the auditors for their services. Having made this proposal, he hoped some one else would by-and-bye follow it up with a motion for remunerating those gentlemen.

A proprietor seconded the motion.

The Chairman—This is a resolution which I think will be carried unanimously. I believe the directors only wish that their accounts should be made clear to everybody's understanding—that they should not be a matter of hidden obscurity, or require a technical knowledge to understand them; and that they desire to act as they have always acted, as it were in a "glass-house." (Cheers.) Now, as the auditors have made our affairs plain to themselves, and as they give an opinion, a technical learned opinion, in proof of the correctness of our doings, I beg to tender them my most hearty thanks, and I hope whilst I have any power here they will exercise their severest scrutiny into all our transactions. (Cheers.)

The motion was agreed to without a dissentient.

Mr. Huggins proposed that £50 be allotted to the auditors for their past services.

The motion having been seconded,



Mr. Arber said he thought four auditors were rather a luxury, particularly when they had to pay them, and the direction was a gratuitous one. He wished to know what provision was made in the deed for the re-election of the retiring auditors. For his own part, he should not be satisfied with Mr. Jay and Mr. Clarke, without Mr. Nettleton and Mr. Williams.

Alderman Wire thought it would be desirable not to dispense with the two auditors appointed by the shareholders, especially when they knew that there were not two better men in London, more versed in accounts, or better able to unravel a difficulty and put an account plainly before the public. He hoped, therefore, the shareholders would not deprive themselves of the privilege they had exercised at the last meeting. He wished the bank to stand A 1, and after the present meeting he had no doubt the shares would go up, and the confidence of the public in the institution be increased. He was sure it could not be increased by a better mode than by having two independent auditors who had done their duty so fairly. (Cheers.)

Mr. S. Smith was of opinion that, according to the 67th section of the deed, the term of office of the auditors therein named expired at the first general meeting; that, in fact, they had no legal existence after that as auditors.

Alderman Wire recalled the attention of the meeting to the question before it, namely, whether or not the auditors should be remunerated for the services they had performed.

The motion was then put from the chair, and carried unanimously.

Mr. G. H. Jay (one of the auditors), in expressing his acknowledgments for the vote, which he said he should take as a vote of confidence, assured the meeting that the audit had been an audit in every sense of the word, and that there was not a bill in the house, a parchment, or a piece of paper which he had not seen and examined. He had traced every account, and there was not one which was wrong, or that could be quibbled at, whether it was an account with a customer or a director.

Mr. Clarke (another auditor), spoke to the same effect, and expressed his thanks to the secretary, manager, and clerks for the facilities which they had afforded him in prosecuting the audit.

The Chairman pressed the re-election of Mr. Nettleton and Mr. Williams as auditors.

Sir F. Smith seconded the motion.

Dr. Bennett said that both the gentlemen proposed were unknown to him personally; but he had heard the highest character of them, that they were eminently fitted for an office of the sort, and, after hearing how their audit had been conducted, he thought it would be foolish to reject them, on this occasion at all events. He trusted, therefore, this proposition would be unanimously adopted. He thought, however, that it was undesirable to have as many as four auditors, and that one might be dispensed with.

The motion was agreed to.

Mr. S. Smith then proposed, and Mr. J. Joyce seconded, Mr. G. H. Jay as the third auditor; and the motion was carried unanimously.

Mr. Blagden said he resided in the country, where a printed paper had been sent him, containing a number of questions to the directors, the publication of which might, perhaps, have the effect of prejudicing the interests of the bank. He begged to hand them in.

The Chairman (reading from the printed paper)—“Did the directors on the 16th June, 1856, help themselves out of the subscribed capital of the company to £1,800 for their services prior to the opening of the bank, being after the rate of £4,600 per annum?”

Mr. Jay—I trust we shall not work our enemies' business so well as to



put such questions as this to the chairman. (Cheers). It would be most derogatory to the meeting to allow anything of the sort to be done. (Loud cheers).

The Chairman—Mr. Jay has used a very correct expression. I am not willing to do our "enemies' work;" and if the meeting think that that question has already been answered, I am not here to answer it. (Cheers).

Mr. Blagden—I trust you do not suppose that I have any desire to put these questions. (Hear, hear.) The paper was sent to me in the country, and as there may be gentlemen around me who have not heard anything about it, I thought I would hand it in.

Mr. Stohwasser said that in consequence of observing certain statements in the public press, he had invited a number of his friends who were shareholders in this bank to meet him at his house on Saturday last, and that at such meeting the following resolutions were agreed to unanimously:—

"That this meeting has the fullest confidence in the honesty and integrity of Mr. Clack as a manager, and that they consider the efforts directed against him, to injure his reputation, are vexatious and wholly without foundation, and have been prompted by a mischievous disposition to injure the bank.

"That certain questions should be asked at the public meeting on Monday, the 27th inst., upon the following subjects:—'That there having been, and still being, rumours abroad that some of the directors receive money or agreed with the promoters that they should be qualified by them out of the sum voted to them by the bank, the shareholders present at this meeting request to be informed whether the board of directors have taken any steps to ascertain the truth of these rumours, and whether the board or manager is in possession of any information on the subject? If so, whether they will impart such information to the shareholders, or a committee appointed by them to inquire into the matter.'

"That it will be seen by the list of shareholders present at this meeting, and by the list of those shareholders who were prevented from attending the meeting, but who fully coincide with the above resolutions, that they hold upwards of 500 shares in the bank, representing more than one-eighth of the entire capital."

He should propose that the first of these resolutions should be adopted and entered upon the minutes; but previous to doing that he would ask—"Whether the board of directors have taken any step to ascertain the truth of these rumours, and whether the board or manager is in possession of any information on the subject?"

Dr. Bennett asked if there were any legal proceedings still pending?

The Chairman—Yes; the suit *In re Rymer* is pending; but the motion was dismissed by the Vice-Chancellor, with costs. (Cheers.)

Dr. Bennett—Is it prudent, then, to answer such a question as this if you have legal proceedings still going on? I think it is scarcely so. (Hear, hear).

The Chairman—I am entirely in the hands of the meeting, and quite prepared to answer the question if they think it prudent.

Dr. Bennett—I think it would be highly imprudent.

The Chairman—I believe, myself, that the more prudent course is to be perfectly quiescent.

A Proprietor—Why more prudent?

The Chairman—For the reason given by Dr. Bennett, that legal proceedings are pending. If, however, it is the pleasure of the meeting that I should answer these questions, here I am to do so. (Cries of "No," and "Hear.")



The opinion of the meeting was then taken as to whether the question should be answered or not, and the decision was given in the negative by a large majority.

Alderman Wire thought the decision was a correct one, because none of the questions propounded affected the stability of the bank, the integrity of the directors, or the accuracy of the accounts before the meeting. They were mere personal questions, raised by malice and disappointed envy, and the sooner they were swept away the better. The directors would take the prudent course of pursuing all possible legal and equitable means, for setting any question at rest which might be raised by disappointed parties.

Mr. Stohwasser did not dispute the wisdom or propriety of the decision come to by the meeting, and had now the pleasure of moving—

“That this meeting has the fullest confidence in the honesty and integrity of Mr. Clack as a manager, and that they consider the efforts directed against him, to injure his reputation, are vexatious and wholly without foundation, and have been prompted by a mischievous disposition to injure the bank.”

The resolution having been seconded,

The Chairman said, that before putting it to the meeting he wished to observe that the bank and shareholders at large had much reason to feel deeply indebted to Mr. Clack; that he himself was particularly so, and he begged now to tender to that gentleman thus publicly his respectful thanks for the industry, ability, and intelligence he had ever evinced in all matters that concerned the institution.

The resolution was put and carried unanimously.

Mr. Wilkins here attempted to address the meeting, but did so amidst great uproar, which rendered his observations totally unintelligible, except to a few in his own immediate vicinity. He was understood, however, to refer to the matters at issue in the suit in which he is the plaintiff.

The Chairman expressed a hope that Mr. Wilkins might be allowed to speak as long as he pleased. (Cries of “No”).

A Proprietor—He is the plaintiff, and he wants to put a number of questions to the chairman, although the meeting has decided that none shall be put. (Cheers.)

The Chairman put the question to the meeting whether Mr. Wilkins should be heard, and the decision was in the negative.

Mr. Clack wished, before the meeting separated, briefly to explain the history of his connection with the bank, and the motives which had prompted the attacks that had been made upon him and their respected chairman. So long ago as 1855, Mr. Rymer sent a messenger into Devonshire to treat with him for the managership of this bank, and offered to lay a blank sheet of paper before him in order that he might name his own terms, and they should be granted him. He (Mr. Clack) came to London, saw Mr. Rymer, and declined; not wishing to terminate his connection with the Union Bank, where he had been known and respected for seventeen years. About the latter part of June last year Mr. Arber first waited upon him to know if he were willing to take the management, and again he declined, and not only did so, but rather complained to Mr. Arber that his name had been used in an unauthorised manner, with a view to draw together shareholders and directors to the bank. Subsequently he again saw Mr. Rymer, who repeatedly pressed upon him the acceptance of the office of manager. The late chairman, Sir Bulwer Lytton, also laid before him certain terms for taking the management of the bank, and he wrote in reply, declining them, and stating that he was sincerely desirous not to leave the Union Bank. Notwithstanding that letter, Mr. Rymer once more



renewed his terms, but whether with or without the sanction of the directors he (Mr. Clack) did not know. Eventually, however, they came to terms, and this was the letter which Mr. Rymer then wrote him on February 9th, 1856 :—

“ Western Bank of London Office, 4, Whitehall,  
February 9th, 1856.

“ Dear Sir,— I submitted to the directors of the Western Bank of London the terms which we arranged this morning, upon which you would accept the general managership of the bank, and I have now the pleasure of acquainting you that the directors have unanimously ratified those terms, and I enclose you, by their authority, an official recognition of them.

“ Will you permit me personally to congratulate you upon your appointment, and to express a hope that your connection with the bank may be as agreeable to yourself as I know it will be gratifying to its proprietors and the public.

“ I am, dear sir, yours faithfully,

“ H. T. Clack, Esq.

JNO. S. RYMER.”

Now, what would the meeting think of a man who, after writing a letter like that, could go before the Court of Chancery and file a bill to upset the very agreement, the preliminaries of which are made, and the draft of which was drawn up in his own office. (Hear, hear.) From the very hour that he (Mr. Clack) first took office in this bank, he had been actuated by one sole desire—that was, to prove himself worthy of the confidence of the shareholders and directors. Errors in judgment he might have committed, and so might any man; but an error of intention he declared most solemnly he had never committed. (Loud cheers.) In conclusion, he sincerely thanked the meeting for the confidence it had been pleased to express in him, and he hoped he should always deserve it. (Cheers.)

The Chairman said it was now his duty to dissolve the meeting. The transactions of that day would, he was sure, redound to the credit of the bank and the directors; and if honesty, industry, and fair intelligence could conciliate the confidence of the public, then he boldly predicted that that confidence would be awarded. (Cheers.) He was very happy at the proceedings which had taken place, and he thanked them, in his own name and in the name of his brother directors, for their conduct on the present occasion.

Mr. G. H. Jay then moved, and Dr. Bennett seconded the following resolution, which was carried by acclamation :—

“ That the best thanks of this meeting be given to the chairman and directors for their zeal and attention to the interests of the shareholders during the past year; and also particularly that, having read the circular of Mr. Rymer, and heard the statements of Mr. Williams in reference to the agreement with Mr. Clack, this meeting fully approves of the conduct of the directors in this particular; and further, that the thanks of this meeting be given to the chairman for his courteous conduct in the chair on this occasion.”

The Chairman having briefly acknowledged the compliment conveyed in this resolution, the meeting separated.

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#### CUMBERLAND UNION BANK.

THE proprietors of the Cumberland Union Bank held their twenty-eighth annual meeting at Workington, on the 28th July, 1857, to receive the report of the directors, and declare a dividend.



The statement of accounts showed the net profits to amount to £15,897 17s. 6d., after making ample provision for all bad and doubtful debts, being upwards of 26 per cent. upon the capital of £60,000.

A dividend of £5 per £30 share was declared, and after reserving £284 13s. 4d. to pay the income tax, there remained £5,613 4s. 2d., which was carried to the guarantee fund, making that fund £33,252 11s. 1d.; and with the capital of £60,000, the proprietary funds, £93,252 11s. 1d., in place of £20,000 originally advanced by the proprietors.

Workington, 15th August, 1857.

### LONDON AND COUNTY BANK.

THE half-yearly meeting of the shareholders in this bank was held on Thursday, August 6th, at the London Tavern, W. Nicol, Esq., in the chair. The secretary having read the advertisement convening the meeting, proceeded to read the following report:—

Your directors have the satisfaction of meeting the proprietors on this occasion, for the purpose of placing before them the accounts and balance-sheet pertaining to the six months ending the 30th June last.

These accounts have been examined and signed by your auditors; they show the gross profit for the above-named period, after making provision for bad and doubtful debts, to be £108,475 15s.; and the net profit derivable therefrom, after deducting expenses at the head office and all the branches, interest to customers and rebate, £39,104 1s. 3d., including the balance brought forward from the previous half-year.

Your directors have declared a dividend similar to that of June last year, of 5 per cent. for the six months, free of income-tax, and have carried forward the sum of £14,145 0s. 8d. to the next account.

Advantage has been taken of the opening presented by the failure of the Old Bank at Hastings to occupy the ground at the different points in that neighbourhood, where it had agencies; and your directors are glad to report that the general business of the bank is making satisfactory progress.

The dividend will be payable at the head office, or at the branches, on and after Monday, the 17th instant.

#### *Balance Sheet of the London and County Banking Company, 30th June, 1857.*

*Dr.*

To Capital paid up	...	...	...	...	...	£500,000	0	0
Reserved fund	...	...	...	...	...	100,000	0	0
Customers' balances, &c.	...	...	...	...	...	3,857,281	11	11
Profit and loss balance brought from								
last account	...	...	...	...	£7,795	14	3	
Ditto rebate, &c. ditto	...	...	...	...	9,667	8	3	
Gross profit for the half-year, after								
making provision for bad and doubtful debts	...	...	...	...	108,475	15	0	

125,988 17 6

£4,583,220 9 5



Cr.

By cash in hand at head office, and branches	...	...	...	£460,261	8	5	
Cash placed at call and at short notice	...	...	...	837,861	17	0	
							£1,298,123 5 5
Investments, viz. :—							
Government and guaranteed stock	...	...	...	250,630	1	3	
Other stocks and securities	...	...	...	173,329	3	2	
							423,959 4 5
Discounted bills, notes, and temporary advances to customers in town and country	...	...	...	2,442,195	17	10	
Advances to customers on special securities	...	...	...	290,577	2	4	
							2,732,773 0 2
Freehold premises in Lombard-street and Nicholas-lane, freehold and leasehold property at the branches, with fixtures and fittings	...	...	...				51,144 4 10
Interest paid to customers	...	...	...				32,476 10 11
Salaries and all other expenses at head-office and branches, including income tax	...	...	...				44,744 3 8
							£4,583,220 9 5

*Profit and Loss Account.*

To interest paid to customers	...	...	...	...	32,476	10	11
Expenses, as above	...	...	...	...	44,744	3	8
Rebate on bills not due, &c., carried to profit and loss, new account	...	...	...	...	9,614	1	8
Dividend, at 5 per cent. for the half-year	...	...	...	...	24,959	0	7
Balance carried forward to profit and loss new account	...	...	...	...	14,145	0	8
					£125,938	17	6
By balance brought forward from last account	...	...	...	...	7,795	14	3
Rebate, &c. ditto	...	...	...	...	9,667	8	3
Gross profit for the half-year, after making provision for bad and doubtful debts	...	...	...	...	108,475	15	0
					£125,938	17	6

By balance brought down	...	...	...	...	14,145	0	8
Rebate, &c., brought down	...	...	...	...	9,614	1	8

We, the undersigned, have examined the foregoing balance-sheet, and compared the items it comprises with the several books and vouchers relating thereto, and have found them to be correct.

(Signed

HENRY OVERTON,  
JOHN WRIGHT,  
FREDERICK GASKELL,

} *Auditors.*

LONDON AND COUNTY BANK,  
27th July, 1857.



The Chairman said, that before proceeding to address the meeting on the subject of the accounts which had just been read, he thought it right to refer to one or two communications which had been received from shareholders, as to having thereports printed and circulated some four or five days before the day of meeting. Nothing could be more gratifying to the directors, if it were within their power, than to do so. But the deed of settlement prescribed that they should meet on the first Thursday in February and August. Now, they had seventy-three or seventy-four branches, and some twenty sub-branch establishments, making together nearly 100 branches; and if gentlemen would remember that their accounts were to be made up and received from each branch subsequent to the 30th of June, that then they had to be examined at the head-office, and then to be audited by the auditors, they would see that a period of five weeks was not too much for the labour which the directors had to undergo. It was only on Tuesday last that the accounts in their matured form were laid before the board of directors for their inspection. He could assure the shareholders that they had hard work to go through. If, indeed, anything could be done to meet the wishes of the shareholders, the directors would be happy to do so; but he really could hold out no hope of the kind. (Hear, hear.) He would now proceed to refer to the accounts. It would be seen that they had completed their paid-up capital to £500,000, and that the reserved fund was £100,000. When they last met, it was intimated from the chair that the directors had had it in contemplation to increase their capital by 5,000 shares; but they had, no doubt, received subsequently a circular setting forth that the state of the money market was not sufficiently good to induce the directors to follow out that course. In addition to that intimation it was stated that the Government were preparing to bring in certain bills connected with banks and joint-stock banks, and that until the directors knew what course would be taken by the Government they thought it better to suspend the issuing of new shares of any given value, as the Government measures might contemplate shares of larger amount, upon which perhaps £50 must be paid, which would materially alter the value of the shares. But it appeared subsequently that these bills did not apply to five old banks, of which this was one, and thus far there was no obstacle in the way. Although the directors had not carried out their intentions as to the creation of shares, their sentiments remained the same—namely, that as their business increased it might be advisable to increase their capital, though they did not require it at the present moment; but they might hereafter propose to have a larger capital in proportion to the increased balances in their hands, and they had reason to suppose that before they met again that increase might be made. The next thing to be referred to was the customers' balances, &c., £3,857,281 11s. 11d. In round numbers, then, there was over £300,000 upon the previous half-year to the 30th of January, and there was a further sum to the credit of their customers of over £200,000, making together half a million better than they were since last they met. As this was a country bank, and as many who were engaged in agriculture required money more in the first half-year than they did in the last half-year, and as we were not far from the harvest, he was sure the shareholders would join the directors in thinking that with such favourable prospects they might look to a great increase in their present balances, should no circumstances arise to check that expectation. The next thing to which he had to call attention were two small items of profit and loss balance brought from last account, £7,790, and ditto rebate, &c., £9,667, upon which it was unnecessary for him to comment. But he had next to call attention to the gross amount of profit for



the half-year, after making provision for bad and doubtful debts, £108,475. This item had previously gone through the most rigid scrutiny; the directors had not glossed over any one item, and he believed the statement of accounts was honest and straightforward. The gross profits, as compared with the half-year of last year, showed an increase of £10,000. Then, on the other side of the account, they would see cash in hand, and placed at call, £1,298,123, which was within the grasp of the bank to meet any emergency which might arise. The amount of cash in hand was somewhat smaller than it was on the 31st of December, because the directors did not think it necessary to keep so large a balance, as they had no fear of any drain on the cash at call. It would be seen that the loans on stocks and securities amounted to nearly £300,000 more than they did last December, and that was on interest paying stock. Next, there was the item of Government and guaranteed stocks, £250,630, being about £13,000 increase over the half-year, arising from the bank taking allotments of new shares in new undertakings, allotments not arising from investments; other stocks and securities, £173,300, remained as before. Then, as to the amount of discounted bills, notes, and temporary advances, it was £2,442,195, which was an increase in round numbers of £106,000 since the last year; and he was glad to tell them that that increase arose out of discounting bills of the very first class. (Applause.) It was, indeed, a matter of congratulation to the directors that the class of bills was of a very improved character to what they had been formerly. The advances on special securities remained as nearly as possible what they had been before, chiefly from being identified with the accounts of the late John Sadleir and the Westminster Improvement Bonds. In reference to these matters he had stated, on a former occasion that the estates of Sadleir would be disposed of before they met again, but in this the directors had failed to accomplish their object; the fact being that the Incumbered Estates Court in Ireland was almost as slow as the Court of Chancery in England. They could only get them advertised for sale recently; and it would be seen that a large portion of them were advertised for sale on the 17th November next. Indeed these included all the estates which were entirely under the control of the bank. Other estates, though within their control, were mixed up with other parties, and it was thought better not to offer the whole of these for sale at once, but let them follow soon after; and from the result of the recent sales of James Sadleir's estates there was reason to look to the sale of those belonging to his brother John, with the expectation that they would be sold over their estimated value. The month of November was a very favourable time to effect sales of estates, because it was the season when gentlemen went from this country to Ireland to look about them and make purchases. There was no change in the value of their freehold premises in Lombard-street and Nicholas-lane. He would only observe, and he felt he was warranted in doing so, that if they had to sell the whole of those properties they would fetch all the money they had given for them (applause). The interest paid to customers was larger in amount than it had been last year. The rate of money was much higher, and, therefore, their customers had the benefit of it. The amount for salaries was something like £2,000 larger than in the previous year, because they had paid the income tax of 16d. in the pound to Lady-day. But the next time they would have to announce an income tax paid of 7d. in the pound instead of 16d. He would next proceed to the profit and loss account, some of the items of which he had already referred to as occurring in the balance sheet; but there was the sum of £14,145 which was carried forward to profit and loss new account. Possibly some gentlemen.



might think this a large amount to carry to the new account; but the reason why they carried it forward at the present moment to the next account was, that at this period their guaranteed securities suffered, or were affected by the state of public securities. Consols were affected since the 30th of June by the cloud which overshadowed India (hear) and elsewhere. He hoped, however, that it was but a temporary cloud. He had been in India many years, and his belief was that that which was now a very serious matter would prove to be only temporary in its character, and that their securities, public as well as Indian, would remain at their value. And it must be remembered that in proportion as they held large balances, the more they would have to receive the next half-year. He had omitted to state that the Westminster Improvement property was likely very rapidly to increase in value; and he was glad to add that there was little reason to fear that they would get out of the property without loss of money. Those who passed through Victoria-street would see a great improvement in the ground-floors. Those improvements had been made by this bank, and he was gratified in being able to state that as quickly as they were made, tenants were applying for occupation (hear, hear). At the present moment they were deriving a large revenue in the shape of rent derived from this property, and there was no doubt that the whole of the houses would soon be occupied, instead of presenting the very unhappy appearance they had hitherto shown. The rentals were now rapidly increasing. He hoped that before they met again they would be in receipt of the produce of the sale of estates in Ireland. He presumed that many present had heard that a bill had been brought forward in Parliament connected with the Westminster Improvement, which had been thrown out by the committee. This bank had been put prominently forward as the promoter of that bill, but they merely joined in it with other parties, because it was considered by the directors that if there were any means by which a fresh stimulus could be given to the property it would be advisable to adopt them. This bank was not entitled to be put at the head of the list; and he was happy to say they were not damaged by the rejection of that bill (hear, hear). The report noticed the increase in their business. They had opened more than 1,000 accounts in new business, and they had looked forward to extending the banking business very much in the county of Kent, and in Sussex, especially in the neighbourhood of Hastings. No director, auditor, or any officer of the bank owed it 1s., and it was contrary to their regulations that any director or secretary should ever owe anything to the bank (hear). He would not detain the meeting longer. The accounts spoke for themselves; and thanking gentlemen for the patient hearing which they had given him, he would now conclude by moving that the report be received and adopted, and that it be printed for the use of the shareholders. (Cheers.)

The motion having been seconded by the deputy chairman, Mr. W. C. Jones, was carried with acclamation.

Mr. T. T. Bernard, M.P. (Aylesbury), said, though the stability of this bank had never been questioned, yet it had been at one time under a cloud, from Sadleir's and from other companies' frauds, but that cloud had since been dispelled, and they saw their way so clearly that the public must be convinced that they were one of the most substantial and best conducted banking establishments in England. He concluded by moving that the thanks of this meeting be given to the board of directors for the able manner in which they had conducted the affairs of this company.

Mr. Cox seconded and Colonel Spong supported the resolution, which was carried with acclamation.



The Chairman returned thanks, and subsequently a special vote of thanks was carried to the chairman of the day, Mr. Nicoll.

### BANK OF LONDON.

THE annual meeting of the shareholders in this company was held on Thursday the 6th of August, at the London Tavern; Sir J. V. Shelley, Bart., M.P., the governor, in the chair.

After the usual preliminaries the Secretary read the following report:—

"At the close of the second annual balance of the accounts the directors submit to the proprietors a report of the position and prospects of the bank.

"Since the general meeting held at this period of last year, circumstances have transpired calculated to test severely the soundness of the joint-stock banking system; and it is known to you that your bank has been especially subjected to trial from attempts to act upon the sensitive state of the public mind, by the continual circulation of false and libellous statements. This annoyance was borne with for some time, until the directors were compelled, most reluctantly, to appeal to the law, which afforded its protection. A verbatim copy of the proceedings in the Queen's Bench having been forwarded to each of you, it is not necessary to allude to the subject further than to remark that the bank did not suffer any material injury in consequence of those unprincipled attacks; the amount of business acquired at the date of the last annual report has not only been retained, but a steady increase in every important branch has taken place.

"The accounts have been submitted for twenty-eight days to your auditors, according to the charter; and, being found correct, the balance statements have been signed by them.

"From these it will be seen that the gross profit for the year (after payment of £41,594 13s. 6d. for interest to customers) amounts to the sum of £33,896 9s. 11d., which, added to the reserve fund of £8,000 set apart last year, and interest thereon, gives £42,216 9s. 11d. as the amount of disposable profit this period. Out of this sum there have been defrayed—current expenses at the head establishment and the Charing-cross branch; all bad debts have been written off, and ample provision made for doubtful debts; and income-tax paid. These items amount together to £17,865 6s. 10d. For rebate of interest on bills discounted but not matured, there has been carried to profit and loss new account the sum of £4,613 11s. 9d. It has been resolved to apply £500 further towards writing off preliminary expenses and £200 towards the branch lease and building account. There has been already paid out of these profits a dividend amounting to £7,500, declared in February last. These appropriations leave a balance of disposable profits of £11,537 11s. 4d. Out of this sum it would have been agreeable to the directors to have declared a further dividend, but they have considered it right, and consistent with the course pursued last year, to value their Government securities at the price of the day on which the balance is taken. This valuation shows a depreciation, on the 30th June last, to the amount of £7,039 13s. 10d., which sum being deducted from the above balance of profits, trencned upon the reserve fund, and determined the directors to make no distribution of profits at this period.

"This determination has not been arrived at without mature delibera-



tion. Considering the bank is but in its second year, and noticing the caution displayed by earlier banks in this particular, the directors came to the conclusion that the course taken will conduce to the ultimate advantage of the shareholders.

"The alterations in Threadneedle-street, for occupation and letting, are now brought to a close; the total outlay for purchase and improvements has been £78,510 5s. 1d. The surplus property has also, with the exception of one suite of offices, been let on lease on advantageous terms. The property being freehold, of most substantial character, it has been determined to treat the item as a permanent asset of £75,000, upon which sum a return, exceeding £5 per cent. per annum, will be realised, including a fair rental for the bank's occupation: the separate building account of these premises is accordingly written off and closed.

"The directors retiring, in conformity with the provisions of the charter, are Mr. Frith, Mr. Greatorex, and Sir Henry Muggeridge, Mr. Frith and Sir H. Muggeridge, being duly qualified, offer themselves, and are recommended by the board for re-election. Mr. Greatorex, to the regret of his co-directors, feels it necessary, owing to ill-health, to retire from his post, which he has hitherto filled with credit to himself and zeal for your interests. Mr. John Johnson, of the firm of John Johnson and Son, corn factors, has given notice that he offers himself for a seat on the direction, and the board, considering it desirable to secure his influence and connections, recommend him for election accordingly.

LIABILITIES AND ASSETS.

June 30th, 1857.

<i>Dr.</i>							
To capital paid up ...	...	...	...	£300,000	0	0	
Reserve fund ...	...	...	...	£8,000	0	0	
One year's interest at £4 per cent. ...	...	...	...	320	0	0	
					8,320	0	0
Amount due by the bank on current, deposit, and other accounts ...	...	...	...	£1,205,006	7	8	
Amount carried to credit of profit and loss account (after payment of £41,594 13s. 6d. to customers for interest on their balances) ...	...	...	...	33,896	9	11	
					£1,547,222	17	7

ASSETS.

By Investments, viz. :—

<i>Cr.</i>							
In Government securities ...	...	...	...	£416,801	3	5	
Other securities ...	...	...	...	20,348	16	11	
					£437,150	0	4
By freehold premises in Threadneedle-street ...	...	...	...	75,000	0	0	
Bills discounted, loans, and cash ...	...	...	...	1,017,883	4	7	
Preliminary expenses ...	...	...	...	7,009	5	5	
Lease and buildings at Charing Cross branch, furniture, &c. ...	...	...	...	2,680	7	3	
Half-year's dividend to the 31st December, 1856 ...	...	...	...	7,500	0	0	
					£1,547,222	0	0



*Profit and Loss Account for the year ending 30th June, 1857.**Dr.*

To one year's current expenses at head office and Charing Cross branch, bad and doubtful debts, income-tax, &c.	£17,965	6	10	
Rebate of interest on bills discounted not yet due, carried to profit and loss new account ... ..	4,613	11	9	
Amount written off—				
Preliminary expenses account ... .. £500	0	0		
Do., do., Charing Cross lease and buildings, &c. ... ..	200	0	0	
		700	0	0
Dividend paid at the rate of £5 per cent. per annum for the half-year ending December 31st, 1856 ... ..	7,500	0	0	
Depreciation of value of Government securities on June 30th, 1857 ... ..	7,039	13	10	
Balance standing to credit of reserve fund ... ..	4,497	17	6	
	£42,216	9	11	

*Cr.*

By reserve fund and interest	...	...	...	£8,320	0	0
Balance of Profit brought down	...	...	...	33,896	9	11
				£42,216	9	11

"The Chairman—Gentlemen,—It now becomes my duty to propose to you the following resolution:—"That the directors' and auditors' report now read be received and printed, and a copy sent to each proprietor." In moving this resolution, I should, under ordinary circumstances, have proposed to go more fully into the whole state of our affairs; but the elaborate report of the auditors (and I here thank them for taking so much trouble in investigating the accounts of the company), coupled also with the report of the directors, which is more full than usual, render it unnecessary for me to take up much of your time on the present occasion. In addition to those reasons, I may be permitted to say that I have only scarcely recovered from a serious illness. This report, which has been drawn up during my illness, I rejoice to think makes it scarcely necessary that I could go into details in relation to our affairs. As, however, a good deal has occurred during the last twelve months, and as one subject has been especially alluded to in the directors' report—namely, the attacks made on the bank by certain parties—I trust I shall be allowed to make a few observations in relation thereto, and to state my honest conviction as an honest man of the perfect soundness and good prospects of this great undertaking. (Hear.) As to those malicious reports, which have been made the foundation of a criminal proceeding in the Court of Queen's Bench, the shareholders have received a pamphlet, containing the shorthand writer's report of the proceedings that took place at the trial. Although by some the sentences passed upon the two convicted individuals have been considered severe, every one who reads that report can judge for himself whether the punishment awarded was justified or not. The Lord Chief Justice said that the conduct of directors of joint-stock companies should, of course, be open to the free criticism of the public press as to the manner in which they conducted their business; but if it should be found that instead of fair criticism, those persons took advantage of the sensitive state of the



public mind, and were malicious enough to circulate the grossest falsehoods in order to levy black mail from the directors, then they were committing a serious offence, which called for severe punishment. Nothing could be stronger than Lord Campbell's observations. The Lord Chief Justice said that, instead of fair criticism in this case, it was clear to him that there had been some stronger influence at work—that their object was not with reference to the public weal, but with a view to their own pecuniary interests and to levy black mail. Although I myself have been personally assailed in every shape and way, I felt it my duty as chairman to look exclusively to the interests of the bank. If I had not been chairman, knowing the real parties from whom the libels issued, I should not have hesitated in bringing an action of slander against those parties. But, as I have said, I felt I had a duty to perform, not only to you, gentlemen, but also to the public—namely, to take care that nothing should be done by me that was calculated in the smallest degree to shake the confidence of the public—therefore, though as it were groaning under these outrageous attacks, I did not feel myself justified in appearing before the public under such circumstances, for fear of damaging the interests of the bank. I trust I may now pass by that whole matter as one of those scurrilous reports to which every man occupying a public position, however honourable his motives, is exposed, especially one who is placed in a position which makes other people envy him the success which he has attained. Passing by that subject, and leaving you to judge for yourselves to the propriety of the sentence upon the convicted parties, I shall merely say that as regards the two individuals, Cockburn and Lawson, we have good reason for believing that they were only tools in the hands of others. Now I confess that through life I have always preferred flying at higher game, and if those individuals to whom I allude are not more careful in the way they are proceeding, I shall endeavour to induce my brother directors to take legal steps against those parties who are standing in the background. (Hear, hear.) Gentlemen, I stand before you to speak the truth, and I say conscientiously, without any kind of reservation, that I congratulate you on the success that has attended this undertaking. When I look to what has taken place lately, not only as regards joint-stock banks, and the manner in which public faith has been shaken by the events that have occurred, but especially as regards the malignant attacks that have been made upon ourselves, it is, I think, a subject of congratulation with us, that, instead of retrograding in any way, the business of the bank has gone on gradually increasing. (Hear, hear.) I stated that fact on my oath before the Lord Chief Justice, in the Court of Queen's Bench, and I repeat it now. I feel that I am fully justified, as an honest man, in congratulating you upon the firm footing which we occupy, and the increasing prosperity of our undertaking, which we may safely expect, if our business be conducted in the same safe manner in which it has hitherto been carried on. I wish now to touch upon some points which do not appear prominently in the reports you have before you. The successes we have achieved in this undertaking have necessarily created amongst some of our neighbours some jealousy, who are not very particular as to the means they take in order to damage us. Several reports have gone abroad, and in reference to them I say, in perfect good humour, I should like to give a little advice to the shareholders. Most absurd rumours have been flying about in reference to our losses. Now, I am grieved to say that some of our shareholders, instead of coming to the bank and asking for information as to those reports, have actually given credence to them, and have rushed with their shares into the market. Before we had scarcely gained any footing, our shares were at an enormous premium, whereas now,



when we can show as large if not a much larger business than any similar undertaking that had started with us, and that there is every reasonable prospect of a prosperous future, our shares are at a discount. It is reported that we have suffered great losses. I shall allude to some of those losses we are reported to have sustained. It is said out of doors, that in the case of the bankruptcy or failure of Franghiadi we had lost £12,000, whereas the whole extent of our loss there was only to £1,200. The next case I shall allude to is that of Gregory; our loss in that matter is reported to be very great. Now the fact is that we are covered in every shape and way. Well, then there is the case of Guistiniani, in connection with which it is reported that our losses are incredible. What is the fact? We do not lose a single shilling in that matter. There was but one bit of paper with the name of Guistiniani upon it in the bank, and the amount was £300. There were, however, other good names upon it, and when this apparent bankruptcy took place the other parties who were liable at once came forward and paid down the money. There was no other paper of Giustiniani in the bank. (Hear, hear.) As regards the question of bad and doubtful debts, the auditors have in their report already alluded to them in connection with the vastly exaggerated reports that have been circulated. I do not know how much we are supposed to have lost, but I will tell you what our losses have really been within the two years of our existence. The amount of bad and doubtful debts, written off as such, amount in the two years, to £7,876. During the same period we have turned over in discounts, £10,000,000. (Hear, hear.) Now, considering that we have but recently started as a new bank—that we had much difficulty in getting into harness, to pull well together—I think we have no great reason for despondency in having lost a sum under £8,000, while we have, on the other hand done a discount business to the amount of £10,000,000. (Hear, hear.) The next point to which I wish to draw your attention, gentlemen, is the question of the investment in our building in Threadneedle-street. I hope I am right in saying that, as an investment, this can be defended anywhere. The rental received for a portion of it let off on lease amounts to £2,010 a year. The amount we have paid for this building is £75,000 and odd. We must recollect that freeholds are a scarce kind of property in the City, and the freehold in such a part as Threadneedle-street must become yearly of increased value. I cannot help saying I honestly think that that is an investment that will bear the most severe financial criticism. It is a good one—the building is in one of the finest positions in the city of London for carrying on our business, and I have no doubt that any other banking company would jump at it, if it were available. We have, as you see, written off £500 for preliminary expenses, and £200 towards the purchase of the lease of the house in Charing-cross. We shall have paid up the whole cost of the house by the time the present lease shall have terminated. It has been thought by some that we are wrong in having so much money invested in government securities. Now we are all very clever in giving an opinion as to what should have been done after occurrences have taken place. All I can say, looking at all we have had before us, is that the directors felt that they had one of two courses to pursue. They might have gone at once to work with the determination of making quick profits, and thereby of standing well before you, in being able to pay a large dividend; but I think that we have another duty to perform, and that is, to stand well before the public generally. (Hear, hear.) In the first place, the course which we have chalked out for ourselves is one of security. After all that has occurred, I think we took the wisest course in foregoing for the



present making any dividend, in order to convince the public that are carrying on business in a safe, secure, and bank-like manner. Events which could not have been foreseen have recently occurred in India and other places, which have occasioned a fall instead of a rise in public securities. Under all these circumstances, though we have not made such large profits as we might have made if we had invested our funds in other than government securities; as an honest man I think that we took the wisest course in regard to our investments. It is said that we have incurred large losses in the Turkish securities. That is as unfounded as the other reports; we are as safe there as with our Consols. Other securities are preference railway debentures, payable within 12 months. I do not know any other point it may be my duty to allude to, I can only say that we are here to answer any question which you may think it necessary to put to us. No doubt there may be some points in the accounts on which explanations may be required. It is quite right that every information should be demanded, and, as your directors, we are most anxious to give it. In conclusion I shall, in the presence of my colleagues, use the language of Lord Chief Justice Campbell, in the course of his address to the jury on the occasion of the trial referred to. I say, then, that "this bank was originated in good faith, and it has been conducted in good faith down to the present hour," and as long as I and my colleagues here possess your confidence as directors, we are determined not to deviate one inch from the path of strict honour and justice, no matter what may be the temptations presented to us. Once more, gentlemen, let me congratulate you on the success which has attended the undertaking in which we are engaged, and I say, in the common course of events, that nothing can prevent the bank going on flourishingly, and becoming a most prosperous concern. We court the most minute inquiry, as we feel that nothing has been done which cannot bear the fullest investigation. I have now the honour of moving the resolution I have read to you. (Cheers.)

Mr. Frith, deputy chairman, seconded the motion.

Mr. Nicholson said the explanation of the chairman was so fair and full that it was almost enough to reconcile shareholders to going away without a dividend. He thought, however, a different mode might be adopted with regard to their investments for buildings, so as to free a larger capital for operations; and also that they ought to have made no addition to their preliminary expenses after the first year. At the last half-yearly meeting the directors had declared £7,500 as dividend, although they now seemed to have made no profit upon the year.

Mr. Frith said they had considered themselves at that time fairly entitled to declare that dividend, although they had since altered their way of valuing their stocks.

The Chairman defended the mode of meeting the building expenses, and said that the amount added now for preliminary expenses was for accounts previously contracted, but not sent in time for earlier liquidation.

A shareholder expressed an opinion that losses by bad debts should be kept distinct, and not confounded with expenses.

The chairman said he thought it would have been better if that course had been adopted, but they had followed the plan generally adopted by joint-stock banks. If, however, the shareholders wished the amount of bad debts to be given in detail in future, he would bring the matter before the board, or would no doubt give full attention to it (hear).

Mr. Carey recommended some alteration in the present plan of showing the state of accounts, with a view of making them more easily and more fully understood by the shareholders in points of detail.



The chairman explained that there had been an increase in deposit accounts in every particular, the total increase since the last report being about £100,000. At the same time he reminded shareholders that there were circumstances connected with their business which ought not to be gone into in public, but about which shareholders might satisfy themselves every day upon inquiry at the bank itself (hear.)

In reply to a shareholder, the chairman said the expenses of the recent trial would not exceed £700.

Mr. Porter (one of the auditors) said it might have been now for the benefit of the bank to let it be generally known that their bad debts for two years did not exceed £7,000; but a time might arrive when they might meet with heavy loss which it would not be so wise to announce publicly, and it would be better for proprietors or such parties to be satisfied with gross results rather than go too much into detail.

After some further conversation in reference to the mode of valuing government securities,

The chairman said the general practice of joint-stock banks was to value one-half at present value, and one-half at cost, but the point was one upon which he thought they were hardly in a position to give an opinion (hear.)

Mr. Gunton said, that if the facts were really known it might be shown that establishments which declared a dividend of 12 or 15 per cent. did not stand as high as one like this, which looked carefully to the future, and took care that not a breath of suspicion as to its solvency should rest upon it. He thought it quite sufficient if individual proprietors had the opportunity, when they pleased, of acquiring the information they needed by calling at the bank itself. He concurred with the observations of the chairman as to the propriety of the investment in Threadneedle-street.

A shareholder reminded the meeting of what had been said at the last meeting respecting the Bank of London Assurance Company. It appeared to him that anything affecting that assurance company, whether by report or otherwise, would affect the credit of the Bank of London. If any gentleman permitted his name to be used in any way at all connected with the assurance company, the probability was that the law would regard him as a co-partner. The Bank of London Assurance Company, having the same name as their own establishment, being under the same roof, and having also some shareholders belonging to both companies, had, he believed, caused it to be identified in the mind of the public with this bank. He understood that an application for an act to change the name of the assurance company was to be made. If this were not to be the case, he thought it would be as well to get rid of the company as tenants under the one roof with the bank. Although the assurance company paid them a rental of £1,200 a year, that was a sum of little importance to the Bank of London, compared with the injury which it might occasion to the bank by the position it would occupy in the eyes of the public.

The chairman said it was true that certain parties had endeavoured to throw dirt on the Bank of London by being under the same roof with this assurance company. He, however, repeated emphatically that there was no connection whatever between the bank and the assurance company except that of banker and customer. They had placed money in the hands of the bank, and in addition to that the directors of the bank looked upon the assurance company as very good tenants. They had no power to oblige the assurance company to go to Parliament to change their name. Certain shareholders had memorialised the Board of Trade on the subject, and the Board of Trade said there was evidently no partnership between the two



companies; and it was out of the question to suppose that any misfortune happening to the one should affect the other. The assurance company had a bill before the house, but owing to some formal objection by Lord Redesdale they were prevented going any further. As to the reserve fund, he looked upon that fund as being put by, if the directors should think fit, to realise dividends, or to meet any contingency that might arise. He did not consider it a fund, like the laws of the Medes and Persians, which nothing could touch or alter.

Mr. Gunton said that he was connected with both companies, and protested against any shareholder of the bank dictating a course of conduct to the assurance company. The gentlemen connected with the assurance company must be allowed to settle their own affairs themselves.

A shareholder called attention to the report of last year, which stated that the directors were to receive £3,000 for their services. He wished to ask whether the directors were to receive this money at a time when the shareholders received no dividend?

The chairman said he thought the labourer always worthy of his hire, and considering the time and trouble devoted to their service by the directors, particularly under the circumstances of the last year, they were deserving of remuneration. The directors, however, felt that they were rowing in the same boat with the proprietors, and had agreed to place their remuneration in abeyance. If, however, hereafter their establishment became very prosperous, as he had not the smallest doubt it would become one of the most prosperous in the City of London, the directors hoped the company would remember the year 1857 (hear, hear, and laughter). They would find in the account of the bank no charge for remuneration.

It was also intimated that the auditors had placed themselves in the same position.

The resolution was then put and unanimously agreed to.

The election for the three directors in the place of the following retiring directors, viz., Mr. Frith, Mr. Greatorex, and Sir Henry Muggerridge, resulted in the re-election of Mr. Frith and Sir H. Muggerridge, and in the substitution of Mr. John Johnson, the auditor, for Mr. Greatorex, who begged to withdraw on account of ill health.

The three auditors elected were Mr. Robert Porter, Mr. Geo. Thomson, and Mr. Henry Hast.

Votes of thanks having been passed to the chairman and other directors, and to the officers of the bank, the proceedings terminated.

#### ENGLISH, SCOTTISH, AND AUSTRALIAN CHARTERED BANK.

THE eighth ordinary meeting of this corporation was held on Friday, August 14th, at the offices in Cornhill, Mr. Charles Johnston, the chairman, in the chair.

The secretary read the following report:—

The directors have to place before the proprietors the accompanying statement of the accounts of the bank, which have been verified by the auditors; and to report the result of the operations for the six months ending in the colonies on the 31st March, and in London on the 30th June last, exhibiting the steady progress of the bank, as will be seen by comparing the present balance-sheet with those submitted at previous meetings. The directors desire, on this occasion, to express the high



opinion they entertain of the inspector and the managers, who have continued to exercise great discretion in the general conduct of the business of the branches; and they have also the satisfaction to state that the estimated losses during the period under review have been very small. The directors are gratified in being able to add, that the latest returns received from the branches continue to show an extension of business; they therefore recommend the following appropriation of the balance at credit of profit and loss account, viz:—

To the payment of a dividend at the rate of 6 per cent. per annum, free of income tax, on £500,00, the paid-up capital of the bank ... ..	£15,000	0	0
Towards the reduction of the amounts at debit of—			
Preliminary expenses ... ..	500	0	0
Bank premises and furniture accounts ... ..	1,000	0	0
Leaving ... ..	3,640	12	5
to be added to be added to the reserved fund, which will then amount to £7,656 1s. 1d.			

It will be interesting to the proprietors to hear that the measure introduced by the local Government for the formation of a bank of issue in the colony of Victoria, which, if established, might have interfered with the privileges of existing banks has not been proceeded with.

The accounts, which were taken as read, were as follow:—

#### LIABILITIES.

Paid-up capital ... ..	£500,000	0	0
Deposits ... ..	333,512	0	6
Bills payable and other liabilities ... ..	81,677	19	11
Circulation ... ..	102,541	0	0
Reserved fund... ..	4,015	8	8
Amount carried to profit and loss account ... ..	29,193	17	10
	<u>£1,050,940</u>	<u>6</u>	<u>11</u>

#### ASSETS.

Bills receivable, including those overdue, loans on security, cash at bankers', &c. ... ..	£872,988	14	0
Specie and bullion ... ..	117,729	13	6
Bank premises and furniture ... ..	51,641	13	4
Preliminary expenses... ..	8,580	0	0
	<u>£1,050,940</u>	<u>6</u>	<u>11</u>

#### Profit and Loss Account.

To current expenses in Melbourne, Sydney, and sub-branches ... ..	£6,410	7	1
To ditto ditto in London, including directors' remuneration and income tax ... ..	2,642	18	4
	<u>£9,053</u>	<u>5</u>	<u>5</u>
To balance ... ..	20,140	12	5
	<u>£29,193</u>	<u>17</u>	<u>10</u>
By amount brought down ... ..	<u>£29,193</u>	<u>17</u>	<u>10</u>



The Chairman said, that in moving the adoption of the report he had very little to add. Everything had proceeded so smoothly during the last six months that he had only to congratulate the shareholders on the continuing extension of their business; for though that extension had been thought somewhat slow at first, they were now proceeding without those drawbacks which at the commencement of their career they had had to undergo. Their business had increased; they had not made losses from bad debts, nor had they had to encounter difficulties to interfere with their success. (Hear.) The directors made some remarks in the report with respect to the inspector and managers, which under ordinary circumstances might seem an intrusion when introduced into a document bearing exclusively on matters of business; but they had thought it due to those gentlemen to pay them this tribute of respect, because, in times of difficulty, and since, they had evinced such carefulness and anxiety that the more the directors saw and understood what they had had to undergo, the more convinced they were that throughout their career those gentlemen had acted on sound and excellent principles. The directors had received, as intimated in the report, an abstract of the first six weeks of the current half-year, which continued to show an improved further extension of business and profits over the first six weeks of the half-year under consideration. (Hear.) All these facts were so very flattering and so very satisfactory that the directors had thought it right, in justice to the shareholders, to increase the dividend on this occasion. There were two circumstances connected with the business of the bank in the colony and this country which it would not be proper to detail at present; but they showed that they were gradually improving in the character and importance of their business—he alluded especially to the agents in this country, who continued to do business on a more extensive scale. Those agents were some of the most important banking establishments in this country, and through them, no doubt, if they did not at the present time yield a great profit from their transactions, yet it must tend to increase the business in the colony, as the parties who took over letters of credit were likely to be of great service to the bank when they arrived at their destination. The sums of money which those letters of credit covered were of very large amount, and altogether everything connected with the bank was of a satisfactory kind. He did not think there were any other points which he need dwell upon; but he should be happy to give any information which might be required in respect to the progress which the bank was making. The honourable gentleman concluded by moving that the report and balance-sheet now read be received, and that a dividend at the rate of 6 per cent. per annum be paid in the terms of the report, and that the same be payable on and after the 20th August.

The motion having been seconded by the deputy chairman,

Mr. Franklin, in a very long speech, commented on various items of account, more especially with reference to a sum of £872,988 bills receivable, including those overdue, loans on security, cash at bankers', &c.; and he desired to know to what extent the auditors would undertake to verify this item?

Some discussion ensued, in the course of which Mr. Cazenove, one of the auditors, explained that the greater part of the securities of the bank were in the colony, to which they could not get access; but in reference to those in England every care had been taken to ensure correctness. In the colony the checks to any fraud were ample.

Mr. Reid, as an old colonial bank director, bore testimony to the admirable manner in which the business of the bank was conducted, and expressed his perfect confidence in the directors.



The Chairman detailed the system pursued in the colony to ensure the integrity of their accounts.

Mr. Alderman Salomons contended that Mr. Franklin would seek to supersede the directors entirely, and to make them the servants of the auditors. As to having a professional auditor, if they adopted that plan the expense and trouble would be so great that they would get no dividend at all. (A laugh.) For himself, as a director, he would not sit under an official auditor. The shareholders must place confidence in their directors; and if directors did not do their duty, they must be turned out. With reference to the dividend, he would have preferred making it 5 per cent. instead of 6 per cent.

Mr. Reid thought it might be a question whether the better policy would not have been to have waited till the preliminary expenses were extinguished before they increased the dividend.

The Chairman defended the course which the board had pursued. The directors felt that they were bound in justice to increase the dividend.

Mr. Borradaile took the same view.

The question was then put, and was carried unanimously.

Mr. M'Kewan moved the cordial thanks of the meeting to the chairman and board of directors, which, having been seconded, was carried with acclamation, and the chairman acknowledged the compliment.

The meeting was then made an extraordinary meeting to elect a director in the room of Mr. Gibbs, resigned.

Mr. Reid proposed and Mr. Van der Byl seconded Mr. John Gilchrist, an Australian merchant of the highest character.

That gentleman was unanimously elected, and the meeting separated.

#### NATIONAL DISCOUNT COMPANY, LIMITED.

An extraordinary meeting of the proprietors was held on the 23rd July, at the London Tavern, Mr. W. Russell, M.P., in the chair.

The Secretary read the report and accounts, as under:—

The deed of settlement of the company provides only for an annual general meeting, but that a special meeting shall at once be called to supply any vacancy in the office of auditor. This latter contingency having occurred, and circumstances having made it desirable that a statement of your affairs should be submitted to you, the directors have summoned you together for these special objects. A statement of the accounts for the six months ended on the 30th June has been prepared, of which a copy is annexed. The bills discounted from the 1st January to the 30th June last amounted to £5,456,415 8s. 4d.; for the previous six months, to £4,984,651 14s. 10d.; making a total of £10,441,067 3s. 2d. during the first complete year from the formation of the company. The directors regret much the amount of the losses sustained during the past half-year, but the reports respecting them have been so greatly exaggerated and have so unduly affected the value of your shares, as to call for a statement of their real extent and character at the earliest possible period after the half-yearly balance had been determined. These losses have arisen almost exclusively from the failure of Messrs. O. Franghiadi and Sons, and some other firms connected with them; of Messrs. Barker and Co.; and of the General Wood Cutting Company. Under the first, the bills actually returned unpaid have been £11,800 13s. 6d., and the ultimate loss will be about £5,800. Under the second, the returned bills have been £11,162 4s. 6d., and the loss will be about £7,200. Under the last, the returned bills have been £5,544 16s. 6d., and the loss will be about £2,400. It will be seen that the



losses from these failures, and one or two others of minor importance, amounting in the whole to about £16,000, have somewhat exceeded the profits. This has naturally caused your directors much anxiety, and brought home to them the necessity for more active supervision, which they believe to have been secured by the appointment of a permanent committee of three of their number to be in constant daily communication with your managers, and to aid them with their counsel and experience. The system has now been in operation about four months, and by the increased vigilance and knowledge it has introduced, promises a continuance of the satisfactory results which have so far attended it. The time during which the company has been in existence has not been favourable to its development; the long continued scarcity and consequent high value of money have greatly retarded its progress, and operated prejudicially as regards its profits. From this, however, no criterion can be formed of its future prospects, and it is not doubted that under altered circumstances, which are already in operation, success will ultimately be secured; and in the meantime the mercantile community are reaping the benefit of increased competition in the discount market. Since the last general meeting, vacancies have arisen in the board by the retirement of Mr. Archibald Boyd and Mr. William Patrick Andrew, who have found their other avocations to be inconsistent with a sufficiently close attention to your interests. These vacancies have been provisionally filled up by the election of Mr. George Nicholas and Mr. Charles Richard Fenwick, the latter one of your auditors. The accounts up to the 30th of June could not, in consequence, be audited in accordance with the deed of settlement; and the directors have therefore thought it right, under the circumstances, to obtain the assistance of Mr. Coleman, the professional accountant and a shareholder, to go through the accounts with Mr. Bell, the remaining auditor. The directors are happy to inform the shareholders that, after inviting competition, they have selected the plans prepared by Messrs. F. and H. Francis, of Upper Bedford-place, for the erection of the new building in Cornhill. Some delay occurred in obtaining possession of the premises through legal technicalities, but these having been removed and the ground cleared, no further time will be lost in the erection of the building.

A

*Balance-sheet, Tuesday, 30th June, 1857.*

*Dr.*

To capital called up, viz. —

£5 per share on 78,329 shares, ... .. £391,645

Less calls unpaid ... .. 5,040

386,605 0 0

Amount due by the company on loans, deposits, &c....

2,039,297 16 10

Amount at credit of profit and loss account, as shown

on statement B ... ..

15,361 15 9

£2,441,264 12 7

*Cr.*

By cash at bankers ... ..

£19,324 9 8

Bills discounted, &c. ... ..

2,397,651 14 9

Preliminary expenses ... ..

5,614 10 2

Furniture, &c. ... ..

179 7 0

Premises in Cornhill ... ..

18,494 11 0

£2,441,264 12 7



## B

*Profit and Loss Account of the National Discount Company (Limited) for the half-year ending 30th June, 1857.**Dr.*

To current expenses, including salaries, rent, stationery, advertising, &c., to this date ... ..	£2,476	11	5	
Directors' remuneration ... ..	1,500	0	0	
Auditors' ditto ... ..	50	0	0	
				4,026 11 6
Rebate of interest on bills discounted, not yet due, carried to new account ... ..				14,136 1 9
Balance, subject to provision for dishonoured bills ...				15,361 15 9
				<u>£33,524 8 11</u>
<i>Cr.</i>				
By balance 31st December, 1856 ... ..	£7,786	14	10	
Less dividend declared, 6th February, 1857 ... ..	6,376	5	3	
				1,390 9 7
Gross profit during the half-year ... ..				32,133 19 4
				<u>£33,524 8 11</u>

We, the undersigned, having examined the within accounts and compared them with the books and vouchers, find them as correctly representing the balances of such books; but the amount standing at the credit of profit and loss is subject to the reduction for losses on past due bills, proportion of preliminary expenses, and other charges.

(Signed)

I. MORTON BELL,

JAS. EDWD. COLEMAN,

} *Auditors.*

20th July, 1857.

The Chairman said, he would proceed to make a few observations only in moving the adoption of the report. He begged to assure the meeting that, anxious as many of the gentlemen must be to hear a statement of the half-year's accounts, their anxiety could not exceed that which was felt by the directors themselves, who were only desirous to bring before the proprietary the real state of the company, and to remove the impression which had been created by reports that had no foundation whatever; and if the occasion had not arisen for calling them together to elect an auditor, they would still have wished to summon the shareholders, in order to give them an assurance that their affairs were not in so bad a condition as some wished to represent them to be. Under the deed, as they were aware, the directors were only bound to call meetings once a year, but they felt that, under any circumstances, it would be more desirable that the directors and proprietors should meet each other half-yearly. The more frequent the communications were between directors and shareholders, whose interest they represented, the better. True it was that some thought that publicity given to their affairs might be detrimental, yet, having regard to the position of their affairs, the directors thought it very desirable to hold these half-yearly meetings, inasmuch as they trusted it would give a confidence which the shareholders might not otherwise feel. In consequence of the retirement of two of their late directors, Mr. Archibald Boyd and Mr. William Patrick Andrew, two vacancies had been



caused at their board, and the directors felt that, under such an emergency, it was necessary to fill up the vacancies as speedily as possible; and there having been many applications to supply these offices, the directors made the best selection they could. Knowing the way in which Mr. Fenwick had discharged the duties of one of the auditors, they thought it would be for the interest of the shareholders to elect that gentleman to the board; and Mr. George Nicholas was the other gentleman selected—a gentleman well known by his high character and influence. The consequence of the selection made was, that the company were deprived of the services of one of their auditors; and, as it was necessary that the examination and audit of their accounts should be submitted to two auditors, and not having been able to get the accounts audited as required by the deed, the directors had succeeded in obtaining the assistance of a gentleman of high character—Mr. Coleman, the celebrated accountant—who had kindly worked with Mr. Bell, the remaining auditor. Looking at the report, there was one passage only which he felt he must somewhat enlarge upon. There could be nothing more true than that “the time during which the company has been in existence has not been favourable to its development; the long continued scarcity and consequent high value of money have greatly retarded its progress, and operated prejudicially as regards its profits.” He did not think there was any person in that room who understood the business of discounting who would hesitate to assent to that proposition. Let every gentleman recollect that as between the discounting and banking business there was a great difference. Banks held large deposits of money, upon a large portion of which, moreover, no interest was paid; discounting houses had not that advantage. One difference was, that discounting business could be carried on with a limited liability. The discounting firms were employed by, or were the agents of, persons having large floating balances at their bankers which they did not know how to employ and a good interest was handed over to such parties. Now what had been the state of the money market during the last six months? Had there been any large sums of money lying idle? Had parties found a difficulty in making investments? On the contrary, had not men found twenty places in which to place their capital? Had not money been much more in demand than the supply could meet? When these discounting societies were first founded there were many persons who did not know where to employ their money, and that capital went to discounting houses. But under the pressure of the money market, especially during the last six months, parties having money demanded a high rate of interest, and instead of making large profits they were brought back to the Bank rate of interest, and money could seldom be got under their rate. But parties holding first-class bills would not come to this bank if they were to pay more interest for the accommodation. It was a palpable mistake to suppose that when the rate of interest was high they must make large profits. He hoped that those whom he addressed would at once see the difference between the cases of banking and discounting business. But he was reminded of the great difficulties which many of the joint-stock banks had encountered in their infancy; and surely they could not expect to become possessed of Fortunatus’s wishing cap to bring them wealth without first learning their business! They required years of experience (a voice—“City Bank.”) Again he begged to say they could not draw any comparison between banking and discounting companies. But, after all, what was the true position of this company? Why if they wound up to-morrow their rebate of interest on bills discounted would enable them to pay back



20s. in the pound. Were they prepared to have back their property at  $1\frac{1}{2}$  per cent. discount, when they had their whole property intact? They were now getting into a position by which, by diligence and increased knowledge, he trusted in future they would be exempted from those losses which had deprived them of a dividend. In respect to the new building in Cornhill some delay had occurred in making good the title and in settling the preliminaries; but these difficulties were all got over and the plans were completed. The site was perhaps the finest in the commercial world. They had not entered into a contract, but it was calculated the building would cost £30,000, with the ground, &c. He had been informed of an estate in Threadneedle-street which had been purchased at £840,000 an acre, while a part of the ground on which their building would be erected was at the rate of £740,000 only; and when they compared the two sites, it must be acknowledged that the purchase on Cornhill was a reasonable one. Messrs. Sarl, if so disposed, he had been informed, could make a profit of £15,000 out of their splendid premises. The ground rent of the company's site was £1,100 a-year. They would receive large rents for offices overhead—three floors. He moved that the report and accounts be received and adopted and entered upon the minutes.

Mr. Chaytor seconded the resolution.

After some observations from Mr. Huggins,

Mr. Wm. Johnson said he saw a large item in the account of £1,500 put down as directors' remuneration. Seeing that they had made no profits, he hoped the directors would generously forego all claims of the kind.

Mr. Coleman, the accountant, having been called upon, said, as he appeared before the meeting as an extraordinary accountant, he regretted that the chairman had not entered more into detail. The chairman considered they had sufficient assets if they wound up to cover all their losses. Now he respectfully submitted that the sum which was given was not sufficient for this purpose. His opinion was that there ought not to be less than £18,000 to meet the losses which had occurred. Next, there were the preliminary expenses put down at £5,000. It was usual, and, indeed, it was an established custom, that when preliminary expenses were to be dealt with they were taken into account, and in part carried on in suspense, or a certain per centage was carried forward every year. He called attention to this point, because it was one of which the Government and the Board of Trade were taking cognisance, and it would be better that this company should at once meet the question rather than be driven to adopt a prescribed course. Next, as to their building. He did not deny it was the finest site in the City; but they might pay too dear for gold. He did not deny that the directors had adopted what they thought to be the best course in securing these premises. They were buying the goodwill of a trade which they could not carry on. They had taken the premises on lease for £8,000; they paid £1,100 a year ground-rent; to tenants occupying the premises they paid £13,000 for the goodwill. If to this were added, next year, interest, outlay of cost of building, &c., he could not agree with the chairman that they would take £18,000 as a fair asset. The chairman said if they were to wind-up they could return every shilling. He differed from him, and contended that there was the sum of £18,000, and £5,000 preliminary expenses, making £23,000; and there were the bad debts, £15,000.

Mr. Chaytor—The bad debts were included in the £18,000.

Mr. Coleman—They had credited profit and loss £18,000.

Mr. Chaytor—That was after making the return for bad debts.

Mr. Coleman thought he was correct; they had to the credit of profit and



loss £15,361; and he contended they wanted £18,000 to meet bad debts, which, with £5,000 preliminary expenses, as against £15,000, left them £8,000 worse. It was not his wish to disparage the property, because he himself was a shareholder, and he thought the concern might still be made extremely profitable.

Mr. Goddard trusted that with increased vigilance and experience the future would show much better results.

The Secretary read a letter from Mr. Ellis, of Fenchurch-street, stating his opinion of the value of the site in Cornhill in very strong terms.

In the course of a very long and somewhat angry discussion,

A proprietor accused the directors of want of proper vigilance in having discounted the bills of Franghiadi and Sons, Messrs. Barker and Co., and of the General Wood-cutting Company, at a period when their credit had been long compromised.

After much personal altercation, the motion for the adoption of the report was carried by a majority of fifty-eight to nine.

The election of an auditor remained untouched, Mr. Paravicini was proposed for the vacant office. Another proprietor proposed Mr. Luce, M.P. for Malmesbury, but it did not appear whether that gentleman had consented to act. Eventually the meeting was adjourned, for the election of an auditor, till that day fortnight, with the understanding that the names of candidates should be made known to the proprietors several days before the meeting.

At the adjourned meeting on the 6th August, the candidates proposed and seconded were Captain Augustus Noel Cole, for whom 8 hands were held up; William Okey Lamond, 6; Thomas Luce, M.P., for Malmesbury, 11; and Joseph Robert Morrison, 40. Mr. Morrison was declared elected, upon which Mr. Munt, the proposer of Captain Cole, demanded a ballot; but it appearing that it required 10 shareholders, holding 500 shares, to demand a ballot, the matter fell to the ground, Mr. Munt not being prepared with a sufficient number of shareholders.

#### LONDON DISCOUNT COMPANY, LIMITED.

THE first ordinary general meeting of the shareholders was held on the 4th of August, at the London Tavern, Bishopsgate Street, Mr. William Scholefield, M.P., in the chair; when

The secretary read the following report:—

“The directors avail themselves of the earliest opportunity of convening the shareholders, and submitting to them the result of the company's operations for the first six months. The accounts, which have been prepared to the 30th of June, exhibit a net profit of £3,832 13s., after providing for bad and doubtful debts. This amount the directors recommend should be carried to the credit of the next half-yearly account, it being, in their judgment, premature to declare a dividend. The directors trust that the result of the first six months' transactions will not be considered unsatisfactory, when it is borne in mind that they have had to contend not only against the ordinary difficulties consequent on the formation of a new company—difficulties increased by recent disclosures affecting some joint-stock companies—but also against a stringent money-market, so trying to commercial credit. These have induced the directors to restrict their operations, and thus to limit the amount discounted to the moderate sum of £2,500,000.



"The directors have the satisfaction to announce that connections have been formed with upwards of forty banks, and many commercial houses of high standing; and they confidently expect a steady increase in the company's business, which cannot fail to be remunerative. The directors deem it important to state that the nature of their duties requires the constant presence of one or more of their number. Their arrangements from the first have secured such attendance; but in order to ensure continued regularity, some provision will have to be made for their remuneration. The directors recommend that the preliminary expenses, the account of which is now closed, and which, it will be observed, have been kept at a very moderate amount, should be written off as early as possible.

"In conclusion, the directors would remind the shareholders that their staff is equal to the requirements of a more extended business; the influence, therefore, of every shareholder is of importance, whether exercised in procuring deposits, or increasing the number of discount accounts.

"In conformity with the deed of association, Wm. Scholefield, Esq., M.P., Robert Diggles, Esq., and Mark Hunter, Esq., retire by rotation upon this occasion, and being eligible, offer themselves for re-election."

The accounts appended to the report as follows, were taken as read.

## A.

*Balance Sheet, 30th June, 1857.*

<i>Dr.</i>				
To capital account—Deposit of £5 per share on 35,647				
shares	...	...	...	£178,235 0 0
Depositors, and liabilities on bills re-discounted	...	...	...	986,998 13 4
Sundry creditors, for rent, law charges, and stationery	...	...	...	651 16 2
Balance carried to profit and loss	...	...	...	13,106 19 10
				<u>£1,178,992 9 4</u>
<i>Cr.</i>				
By cash at bankers	...	...	£16,116 8 9	
Cash at office	...	...	91 13 7	
				<u>£16,208 2 4</u>
Bills not matured	...	...	...	1,089,336 13 8
By overdue bills in hand	...	...	£8,188 1 7	
<i>Less</i>				
Cash received on account	...	...	1,197 10 0	
				<u>6,990 11 7</u>
Loans on Government and other securities	...	...	60,965 0 0	
Sundry debtors, for balances on current accounts	...	...	244 11 3	
Office furniture, fixtures, &c.	...	...	1,866 2 10	
Preliminary expenses	...	...	3,381 7 8	
				<u>£1,178,992 9 4</u>

## B.

*Profit and Loss, from 18th December, 1856, to 30th June, 1857.*

<i>Dr.</i>				
To interest due on deposits ...				
	...	...	£2,022 16 8	
<i>Less</i>				
Amount due to company	...	...	191 11 8	
				<u>1,831 5 0</u>
Carried forward				



	Brought forward ...	£1,831	5	0
Rebate of interest on bills not due, taken at 6 per cent.		3,947	16	1
Reserve, for estimated loss on balance of unpaid bills, £6,990 11s. 7d. ... ..		3,495	5	9
Balance carried down ... ..		3,832	13	0
		<hr/> <hr/> £13,106 19 10		
<b>Cr.</b>				
By balance brought from statement "A" ... ..		£13,106	19	10
Thus made up, viz. :—				
Interest received on deposits prior to 18th December ... ..	£1,887	10	3	
Discount account for balance of that account ... ..	13,688	15	1	
Deposits forfeited ... ..	160	0	0	
Transfers, fees, &c ... ..	45	4	6	
	<hr/> £15,781 9 10			
Deduct				
Rent, salaries, and office expenses	2,674	10	0	
	<hr/> 13,106 19 10			
<hr/> <hr/>				
1857.				
July 1—By balance brought down ... ..		£3,832	13	0
	<hr/> <hr/>			

WILLIAM TURQUAND, Auditor.

The Chairman said, in reference to the report and statement of accounts which were then in the hands of the shareholders, it was not necessary for him to say many words in addition. The report stated the main facts connected with the management of the business during the last six months. He, of course, could only confirm what the directors stated in their report with regard to the profits being less than they had anticipated they would have been. He did not, however, mean to say that he was ever sanguine that they would show great profits in the first six months, because he was aware that their early steps must be attended with difficulty, through which they must free themselves before they could hope to be in receipt of revenue. But there were many circumstances which had told against their progress during the last six months, which were referred to in the report which had been read to them. One of the circumstances which had stood in the way of their progress had been the discredit which had attached to joint-stock banks. He need only refer to that which took place after the failure of one of the large joint-stock banks. That event had unfortunately occurred at a time when they were in the midst of arrangements then being made for the establishment of this company, and when they were about to be overwhelmed with applications for shares, and when their shares were being quoted at a premium. But the moment this failure was made known, they observed a manifest falling off of the applications for shares, and the money market now showed the remarkable reduction at which their shares were quoted. This event was coupled with the very stringent state of the money market. Many persons supposed that when money was scarce large profits were made, but the reverse was the case in respect to discounting establishments, because it was clear they must pay a high rate of interest to those who lent their money, and therefore the profit on transactions with parties whose bills they discounted must be much smaller. But, in times of pressure on the money market, it behoved the directors to take extra-



ordinary care in reference to the bills intrusted to them for the purposes of discount; and they were satisfied with having done only £2,500,000 in the shape of discounts. (Hear.) He need not tell gentlemen present that the moment they began their discounting business they might have had a much larger amount of business than they had; but he believed that had they adopted that course they would have had a greater profit, which would only have been nominal, for they might have had a large excess of bad debts. To show what care had been taken in admitting paper sent in for discount, he might state that the amount under discount had been £2,500,000. Of that sum £1,500,000 had been matured, and the whole of it paid with almost punctuality, except about £16,000 or £17,000, of which sum £9,500 had been taken up almost immediately without one father loss; and there was only a small balance, to which reference was made in the accounts, which would turn out doubtful or bad. He thought it was evidence of the care which had been taken by the directors, that on an aggregate of two millions and a half of bills the total amount of paper not taken up at maturity was something like £7,000, as stated in the accounts. With regard to the connections they had formed, he need not tell the shareholders that, under the circumstances, it had been no easy task to acquire confidence at once, but they had succeeded in establishing large connections. They had 400 or 500 discount accounts on their books, and they had connection with a considerable number of banks and persons of high commercial standing. They had had entrusted to them during the last six months a million and a half at various times, and he thought he might say that up to the present moment they commanded as much of the public confidence as could have been expected. The shareholders would notice that the directors had avoided spending money in an unprofitable manner, and that they had taken the utmost care to appropriate the money in such a way as the shareholders would feel to be legitimate and proper. The preliminary expenses were as light as they could be expected to be under the circumstances. The directors were of opinion with the shareholders, that those expenses should be written off at the earliest possible period—not at once, certainly, but the first moment when profits were made, considerable sums should be written off from time to time, and in as short a period as possible. Though the amount of bad debts was somewhat larger than had been anticipated, still the public would be able to judge whether it was possible to avoid such contingencies. He should be happy to afford any further information to the shareholders.

Mr. Parrott moved the first resolution, that the report and statement of accounts be received and adopted. He thought they might congratulate themselves that they had got a balance in their favour. He thought their condition contrasted well with a neighbouring institution, which was supposed to be doing everything. They were only commencing business; he saw no reason to be disheartened.

Mr. Ionides seconded the motion; and upon the chairman rising to put the question,

Mr. Paravacini said he thought the directors had exercised every possible care; but as a large shareholder of over 500 shares, and as representing the interests of many friends, he moved as an amendment that the meeting do adjourn for fourteen days, to take into consideration the propriety of winding up the company, and returning the capital, if any, to the shareholders.

The amendment having been seconded, a long discussion ensued as to the impropriety of winding up the company, the conduct of the directors being unimpaired; and the result was that upon the amendment being put, it



was lost by an immense majority. The original motion was put and carried by a triumphant majority.

A vote of thanks to the chairman and directors closed the proceedings.

## Communications.

*To the Editor of the "Bankers' Magazine."*

### OVER-INCREASE OF BANK BRANCHES.

SIR,—Though the subject of this letter may seem at first sight unsuited to the liberal columns of your journal, yet as I presume to think that the remarks with which I now trouble you are not conceived in an illiberal spirit, I trust you may give them insertion and your editorial approval.

Were I, indeed, to advocate that it is wrong and impolitic to increase banking facilities correspondingly with the increased population and commercial requirements of a country, I could not in this progressive age expect or ask for any sympathy; but, as I am firmly persuaded that there is in this world a *juste milieu* in everything, beyond which is danger or failure, all I wish to establish is, that in Scotland at least, the banking interest are going beyond that point in the rapid and injudicious manner in which they are acting at present by planting their offices and sub-offices so near each other, and in such improbable places.

I do not mean exactly by this to censure the establishment of branches in poor, semi-pastoral, semi-agricultural districts; as, while little, if any, profit may for a long period accrue from these, still little loss can arise to themselves, and they are undoubtedly (if considered in the light of mere savings' banks) of great benefit to a humble community. But what I would animadvert upon is the practice of rival establishments placing agencies in small towns where the field is already occupied, and the prevalence of what I may call the street system, whereby miniature banks are put down at about a gun shot (certainly within the minié rifle range) from the principal office, so that the comforts and conveniences of money changing are "brought home to men's business and counting houses."

It is difficult, of course, to place a precise limit to the indolence and indulgence of an advancing civilisation, but the present effects of the system I refer to seem to me not only to bring the banking interest into contempt by an unnecessary—observe, an unnecessary—familiarity, but also to promote a gradually relaxed state of credit which may eventually terminate in disaster to all concerned. It is all very well to say that, even though there should be a little over-trading in banking, it will find its level like other things in due time; but it should be remembered that this is not so safe a rule to go by in monetary matters where large funds are involved, where the article dealt in is, as it were, the mainspring of all other trades; and where, when the machinery does go wrong, the wide spread ruin is so painful to contemplate.

We have seen in past years what misfortune and havoc this over-creation of money institutions caused in England; and, further back, in Scotland also. And though it may be said that, in many instances, this arose from mismanagement and fraud of officials—as in recent cases—yet, depend upon it, disaster mainly sprung from over-rapid development of, and inju-



rious competition in a thing which was good in itself. In consequence of the rapidity of communication, we have been compelled to approximate our rates of discount and interest in Scotland more nearly to those of the metropolis; and I suppose it may be attributed to the same cause that we have imitated them in this point—the extension of banking accommodation by means of street branches; but, on reflection, it will surely be seen that the cases are not parallel, and that, while London engulphs a couple of towns or villages every year in its rapacious stomach, Edinburgh, on the other hand, achieves only a few houses or villas. And, indeed, it becomes a grave question whether or not the increase of new banks and deposit and loan companies in London itself does not more than keep pace with the requirements of the age. If I am not misinformed, the Joint-stock Bank Bill which is just carried, or being carried, through Parliament, in authorising some half-dozen adventurers with a merely nominal capital (£300 or £400) to start a deposit and discount bank with an imposing title, and citing the Act of Parliament under which it is created, is little less than a legal sanction to unbounded recklessness and fraud. Surely capital has abundant opportunity of securing employment, and mercantile interests are sufficiently cared for, by means of well-established institutions, without having recourse to additional co-partneries, with or without limited liability; which, it is to be feared, while they tend to impair the efficiency of those extensive corporations already in existence, may only produce eventual loss and disappointment to all engaged with them. Be this as it may, however, it must be universally admitted that, up to the present time, Scottish banking has worked well, both in Scotland and elsewhere, where it was not a mere prostitution of the name; and I am sure you will agree with me in deploring anything occurring to mar the results and reputation of so successful a system.

I would therefore call upon bankers and the public of Scotland generally (for everyone is interested in a matter of such importance) to discountenance a bootless and injudicious competition in banking establishments, otherwise they may one day have to regret what their avarice or lethargy has brought upon them.

I am, &c.,

A BRANCH MANAGER.

August, 1857.

#### GOLD—SILVER—PAR OF EXCHANGE.

SIR,—In a letter of mine which was inserted in your number for May last, I alluded to the great flow of silver from the Continent, in consequence of the demand for India and China, and which demand still continues to exist, and with a tendency to increase. Since the beginning of June, the shipment of gold and silver to the East appears to be as follows:—

June 6th	...	...	£ 761,813
June 20th	...	...	1,200,000
July 6th	...	...	863,033

I then ventured to suggest the necessity of a change in France, from a double standard of both gold and silver to one of gold only, as in England, in order that the supply of silver coinage for the purposes of internal commerce should not be disturbed.

It may be considered a fortunate circumstance, that in 1816 the English silver coinage was withdrawn from the demands of commerce by the law



fixing that a pound troy of standard silver should be coined into sixty-six shillings, thereby valuing the ounce of standard silver at 5s. 6d.; and as long as the market price remains below this amount, no difficulty can arise.

The adoption of a gold standard in France may be readily affected without creating dissatisfaction, by either of the following modes, which are simple and easily understood:—

By changing the weight of the silver coin, or by adopting another standard of fineness. If the first mode be sanctioned, and one-tenth be deducted from the weight of the coin, the 5-franc piece, which now weighs 25 grammes of French standard silver, nine-tenths fine, would weigh 22½ grammes, and contain of pure silver 20½ grammes. If the standard of fineness be changed by adopting the standard used for the "*Argentier de France 2me titre*," which is eight-tenths pure silver and two-tenths of alloy, and which is simply double the alloy now used in the silver coin of France. This standard has existed from the 19 Brumaire an VI. By either of these modes the silver French coinage would be withdrawn from the demands of commerce, until the market price of silver advances considerably beyond the present current value. It would not be difficult to preserve the present coinage now in circulation in France, by adding one-tenth to its current value, thereby making the public willing agents in the adoption of the new arrangement.

The proportion of silver to gold in the coinage of the following countries stand as follows:—

Belgium	...	...	15.70 of silver to 1 of Gold.
Spain	...	...	15.75     "     1     "
Portugal	...	...	15.48     "     1     "
Russia	...	...	15.00     "     1     "
United States	...	...	15.98     "     1     "
England	...	...	14.28     "     1     "
France at present	...	...	15.50     "     1     "

And a new coinage at a fineness of only eight-tenths would give a proportion of very nearly 13.80 of silver to 1 of gold.

With reference to the *par of exchange*, I venture to suggest a simple view of the subject. The par in gold may be ascertained by comparing the weight of pure gold in the coins of one country with that of another country. This is but slightly modified by mint regulations.

A kilogramme of French standard gold weighs 15,433.920 troy grains.

But one-tenth is alloy     ...     ...     ...     1,543.392     "

13,890.528     "

of pure gold exist in a kilogramme of French standard gold, and this weight is coined into 155 napoleons, or 3,100 francs; consequently each napoleon contains 89.616,309 troy grains of pure gold.

Now, at the English mint, a pound troy of English standard gold eleven-twelfths fine is coined into £46 14s. 6d., which makes the weight of an English sovereign

But one-twelfth is alloy     ...     ...     ...     123.2740 troy grains.  
10.2728     "

Leaving     113.0012     "

of pure gold in each sovereign.

According to the proportion which 113 troy grains of pure gold in the sovereign bears to 89.616,309 troy grains in the napoleon, the precise value of a sovereign is 25.21 %, or very nearly 25 francs 22 centimes. But



it appears, from the French mint regulations or customs, that the value placed on a kilogramme of English standard gold is only 3,151 francs 30 centimes, instead of 3,157 francs 40 centimes, which the precise number of grains of pure gold would warrant. This reduces the *par* value of the sovereign very nearly 5 centimes, thus making 25 francs 17 centimes the admitted *par of exchange*.

I am, sir, your obedient servant,

CHARLES M. WILLICH.

*Actuary, University Life Assurance Society.*

25, Suffolk-street, Pall-mall, S.W.

24th July, 1857.

### STATISTICAL INQUIRIES WITH REFERENCE TO BANKERS' CLERKS.

SIR,—Will any of your correspondents, who can speak from experience, oblige me with a reply to the following inquiry? In what way does a banker's clerk contrive to support a wife and family (as many certainly do) upon £80 a year? I should wish to see the items of expense classified in something like the following form:—"Rent, clothes for self, clothes for wife and children, butcher, baker, doctor, &c., &c." Such a statement might be given in your pages without any personal disclosures, and it might be useful in the way of instruction to others similarly circumstanced—in the way of suggestion to those who have the power of increasing the stipend; and in the way of caution to young men not to marry until they are able to bear the expense.

I am, Sir, your obedient servant,

A FELLOW OF THE STATISTICAL SOCIETY.

### DRAFT STAMPS.

Dublin, 23rd July, 1857.

SIR,—Will you kindly say at your convenience is the 1d. draft stamp sufficient on a draft drawn in the following form, viz.:

£4 10s.

New York, 6th July, 1857.

On demand please pay to the order of the  
sum of Four pounds ten shillings, being amount of my allowance  
to

A. B.

To C. D., Dublin.

We have always hitherto considered the draft stamp sufficient, but the authorities at the stamp office have now ruled otherwise.

I am, sir, your obedient servant,

A SUBSCRIBER.

[We cannot understand on what ground the penny stamp is considered insufficient by the officials. The 17th and 18th Victoria, cap. 83, says a foreign bill should pay the same duty as an inland bill of the same amount and tenor. What then would be the duty if the bill were inland? We suppose there is no doubt it would be one penny, and therefore the same stamp will do when the bill is foreign. We apprehend it is clear that bills and drafts are the same thing. When the act first passed doubts existed, but we supposed those doubts at an end. We answered this question in Volume XV., page 471, and have not heard that our answer was considered erroneous. The *ad valorem* duty is only one penny on the amount stated.



## LONDON AND EASTERN BANKING COMPANY.

THE shareholders of the Eastern Banking Corporation have been surprised by the receipt of the appended circular, announcing an immediate call of £15 per share; and if it is not paid, a threat is conveyed that a winding-up in bankruptcy will probably be resorted to. Surely some grievous error must have been discovered in the state of the accounts, or the assets cannot be in a satisfactory position, otherwise so unpleasant an intimation would not have been necessary. It remains to be explained how the committee, who have had the management of the liquidation, assisted by the counsel of the directors of the Oriental Bank, can have allowed themselves to be placed in this doubtful situation, particularly after the experience of recent events. If an appeal to Bankruptcy should take place, a thorough investigation through that court would not be unattended by benefit, as it would elicit, although at some expense, information with respect to the nefarious proceedings of some of the directors and officers of the bank. If the shareholders are true to themselves, and desire to co-operate with the view of protecting their own interests, they will immediately organise a movement by which they will be enabled to test the actual position of the bank, and to ascertain the ultimate prospects of the liabilities.

— "London, August 19th, 1857.

"SIR,—In a circular letter, issued by the committee on the 9th of April last, it was intimated to you that the directors of the London and Eastern Banking Corporation had, under advice and by desire of the committee of shareholders, made a call of £15 per share, and that further calls would from time to time be made; and it was added, that those shareholders who gave their promissory notes, at twelve months, for 50 per cent. upon their shares, would not be expected to pay the calls as they fell due. The latter announcement proceeded upon the supposition then entertained that the assets of the bank would, when realised, be nearly sufficient to meet its liabilities. The progress which has since been made in the liquidation under the management of the committee has enabled them to form a more correct estimate of the bank's position. In the report to the shareholders made at the general meeting on 20th July, the estimated deficiency is stated at £12,710, and it was expected that a sufficient proportion of the available assets could be realised in time to meet current liabilities. In both points, however, the committee find themselves disappointed, an extension of time being absolutely necessary for the advantageous disposal of the more valuable properties, while subsequent estimates have considerably reduced the amount to be looked for. Under these circumstances, being disappointed of the large amount which they expected, and funds being requisite to answer immediate and pressing demands, the committee have no alternative but to require the shareholders to pay up on or before Tuesday, the 15th day of September next, the call of £15 per share, payable on the 24th of April ultimo. The amount of the call will in each case be written off the promissory note of the shareholder who makes the payment in reduction of the amount claimable from him under his note. For your convenience a form of letter is annexed, which may be used in making your remittance to the Oriental Bank, at whose office the call is payable, and who will give a receipt for the same; and the committee think it right to impress upon you, that unless this call is freely and promptly responded to, it will be impossible to continue the liquidation, and they will be compelled to place



the affairs in bankruptcy, thereby increasing, to an enormous extent, the expenses of winding-up.

"I am, sir, your obedient servant,

"(For the Committee)

"HENRY E. BEVILLE."

"TO THE ORIENTAL BANK CORPORATION, LONDON.

"Gentlemen,—Herewith I beg to hand you the sum of \_\_\_\_\_, being a call of £15 a share on \_\_\_\_\_ shares held by me in the London and Eastern Bank.

"This amount I beg you will receive on account of the London and Eastern Bank, and I have to request that you will write the same off as a partial payment of my promissory note for \_\_\_\_\_, given in respect of unpaid calls, and advise me of your having done so.

"I am, your obedient servant."

## Notes of the Month.

STATISTICS OF SAVINGS BANKS.—A return, moved for by Sir Henry Willoughby, M.P., informs the public, that on the 20th November, 1856, there were 1,317,444 individual depositors of money in savings banks, to the gross total amount of £32,827,996; 14,564 depositors of cash in charitable institutions, to the total amount of £698,857; and 9,46 depositors of cash in friendly societies, to the total amount of £1,408,001; thus making a grand total number of £1,341,054 depositors in savings banks, friendly societies, and charitable institutions, and a grand aggregate total amount of £34,934,854 deposited. The depositors are thus classified, viz.:—186,322 of sums not exceeding £1; 359,050 of sums not exceeding £5; 173,562, of £10; 127,166, of £15; 77,446, of £20; 132,496, of £30; 108,089, of £40; 52,558, of £50; 87,763, of £75; 41,617, of £100; 27,606 of £125; 16,586, of £150; 25,683, of £200, and 1,520 of sums exceeding £200. The number of friendly societies in direct account with the National Debt Commissioners on the 20th of November last was 560, and the amount deposited £1,952,336. The total amount of principal money received from, and interest paid and credited to the trustees of banks and societies on the said 20th of November, was £74,801,612, and the amount of principal and interest money paid to the trustees, £37,729,691, leaving a sum of £37,071,921 of principal and interest due to the trustees by the commissioners on the said 20th of November, 1856. The value of securities (at the prices of the day) held by the commissioners at that date was £32,750,634, and a balance of £196,247 remained uninvested. The securities included £5,975,002 Consols at 98½ per cent., £3,127,610 Reduced Three per Cents., £17,386,221 New Three per Cents., £51,900 New Two-and-a-Half per Cents., £1,031,588 New Three per Cents. (Ireland), £5,480,000 Exchequer Bills, and £1,765,000 Exchequer Bonds. The aggregate amount on interest paid and credited to trustees of banks and societies on the 20th of November last (throughout the United Kingdom), was £29,262,481, and the aggregate amount of interest on dividends received by and due to the Commissioners on the stocks, &c., by them held £26,169,159. £522,318 of the interest was paid in cash or draughts, and £28,740,163 placed to the credit of the trustees. The life annuities granted from the commencement on the 30th of March, 1834, to the 5th of January, 1857, included (for the whole of the United Kingdom) 8,808 immediate annuities of £177,945 (in all), of which 6,542 are now payable; 157 deferred annuities; 157 deferred by payments in one sum of £2,788; and 1,899 deferred annuities by annual payment of £38,283. The annuities granted for terms of years include 300 of immediate annuities of £5,058; three of deferred annuities, by payments in one sum of £25; and four of deferred annuities by annual payments, of £70.



**WITHDRAWAL OF LIGHT GOLD COIN.**—The following figures from a parliamentary return show the quantity of light gold coin withdrawn year by year from circulation, from May, 1842, to December, 1856; together with the value of the same, at £3 17s. 10½d. per oz.:—

Value at £3 17s. 10½d. per oz.				Value, at £3 17s. 10½d. per oz.			
Year	Weight.			Year	Weight.		
1842 ...	2,067,106.542...	8,048,796	1 11	1851 ...	164,786.254...	641,636	9 6
1843 ...	657,436.646...	2,559,893	18 10	1852 ...	110,589.685...	430,608	11 9
1844 ...	851,138.979...	3,314,122	8 0	1853 ...	103,701.295...	403,786	18 4
1845 ...	184,417.350...	718,075	1 2	1854 ...	121,930.359...	474,766	6 9
1846 ...	856,441.398...	609,143	13 10	1855 ...	97,480.238...	379,563	13 6
1847 ...	169,625.146...	660,477	18 3	1856 ...	107,639.423...	419,121	0 1
1848 ...	205,668.223...	800,820	12 10				
1849 ...	156,954.014...	611,139	13 10				
1850 ...	119,584.958...	465,633	18 7				
					5,274,500.510	20,537,586	7 2

**THE BANK OF ST. PETERSBURG.**—Advices from St. Petersburg mention that the bank allowance for deposits is to be reduced on the 1st of January next from four per cent. to three. According to report, the stock of specie now held in silver roubles is equal to about twenty-four millions sterling.

**THE FINANCES OF THE EAST INDIA COMPANY.**—The capital of the East India Company is £6,000,000, and under the act of 1853, which extinguished the trading powers of the company, it was provided that £2,000,000 should be set apart as a security fund to be applied ultimately, with its accumulated interest, to pay off the £6,000,000 of stock at the rate of 200 per cent. A Parliamentary return, recently published, shows the total receipts on account of this fund up to the present time to have been £4,282,594—namely, £2,000,000 the original appropriation, and £2,282,594 for dividends. These have been invested in the purchase of £806,420 Consols, and £3,899,240 Reduced, making a total of £4,705,660 Three per Cent. Stock, which at the price of this evening would be worth £4,251,732, or within £30,862 of its cost price.

**TRADE OF CANADA WITH THE UNITED STATES.**—The quantity of grain of all kinds (and hops) imported into Canada from the United States last year was 3,601,211 barrels, and the value £884,375; the number of animals imported was 16,700, value £118,474. The value of other articles imported into Canada from the Union in 1856 amounted to £2,020,705. They included meats, seeds, fish, fruits, hides and felts, furs, provisions of all kinds, timber, rice, and flax. The exports from Canada to the United States last year are valued at £4,418,885, against £2,082,936 in 1854. Grain figures for £1,889,810, flour for £1,048,755, timber for £724,899, and wool for £78,315.

**EXCISE AND CUSTOMS.**—The annual charge upon the public income for the collection of the Excise duties in 1856-57 amounted to £702,455, and the number of men employed to 5,449. The articles the duty whereon have been repealed of late years are the soap duty, valued at £1,170,000, and the malt (war tax), valued at £2,200,000. The gross total cost of collecting the Customs duties last year amounted to the sum of £1,107,554 (including £393,223 for the Coastguard), and the number of men employed to 5,570. The amount of duty repealed of late years has only been £83,971 (in 1853-4).

**THE BANK OF VIENNA.**—In virtue of the Currency Treaty between Austria and the other German States the Vienna Bank will have to resume its cash payments on the 1st of January, 1859, but it is said to be by no means clear that it will be in a position to do so with safety. At present the reserve fund of the



bank is but 24,500,000 fl., with a paper circulation of nearly 394,000,000. The moneyed world is of opinion that the bank would speedily get out of its difficulties if it were to raise a loan on the domains ceded to it by the State, but it is doubtful whether Government would authorise it to do so. The domains in question are valued at 155,000,000 fl., and there would hardly be any great difficulty in obtaining a loan on them if it were what is here called a "lottery loan." The loan which was contracted in 1854 bears interest at four per cent., and the holders of shares (à 250 fl.) besides play once a year in a lottery in which there are 4,000 tickets. In the lottery, in which there are no blanks, the highest prize is 200,000 fl., and the lowest 300 fl. The 1854 loan was emitted at 95, but it now stands at 109, although the five per cent. National Loan is down to 84½.

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**BANKRUPTCY LAW AMENDMENT BILL.**—Lord Brougham has brought in a bill to amend the laws relating to bankruptcy. The bill, which is to be construed with the Bankrupt Law Consolidation Act, provides for the compensation of accountants, the abolition of the offices of accountants and brokers, and the transfer of their duties to the official assignee, the remuneration of the official assignee, arrangements by deed, without requiring the debtor to assign the whole of his estate to his creditors, and the proceeding on the presentation of petitions, with the effect of adjudications, &c.

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**THE AUSTRALIAN COLONIES.**—A correspondence between the Australian colonists in London and the Colonial Office, on the subject of a Federal Association of the Australian Colonies has just been published. It appears that in March last a "memorial" was presented to the Colonial Office, urging the matter on the notice of Her Majesty's Government. Mr. Labouchere intimated in May that he had attentively considered this important subject, but that he was of opinion that the Government ought not to introduce a measure of this character. Mr. Labouchere did not think it at all probable that the several colonies would consent to entrust such large powers to a federal assembly constituted as proposed, or to be bound by laws imposing taxation, or even the appropriation of money. The correspondence was subsequently transmitted to the governors of the various colonies.

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**THE COMMERCE OF TRIESTE.**—A letter from Vienna says:—"The Trieste merchants complain that their city is not thriving, but the subjoined figures are not calculated to impress one with the idea that they speak truth. In 1841 the value of the goods imported was 49,000,000 fl., and the value of those exported 87,500,000 fl. In 1851 the imported goods were worth 97,000,000 fl., and those exported 58,600,000 fl. In 1856 the value of the imported goods was 120,754,000 fl., and of those exported 102,492,000 fl."

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**THE SADDLER ESTATES.**—It is stated that the Coolnomuck property, formerly the estate of James Saddler, has passed into the possession of Lord John Beresford, brother of the Marquis of Waterford, having been purchased in trust for his Lordship at the recent sale in the Encumbered Estates Court.

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**BILLS ON INDIA.**—The India Company gave notice on the 2nd ult. of a further rise of two per cent. in their rate for bills on India. On Bengal and Madras it will now be 2s. 1d., and on Bombay 2s. 1½d.

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**MESSRS. FOX, HENDERSON AND CO.**—In the Birmingham Bankruptcy Court a first-class certificate has been granted to Messrs. Fox, Henderson and Co., by Mr. Commissioner Balguy.

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## BANK MOVEMENTS.

Mr. G. Chambers, the manager of the Unity Bank has resigned, and Mr. Terry, the sub-manager has been appointed to succeed him.

Mr. Z. Jugold, late accountant of the Bank of Australasia has been appointed manager of the Commercial Bank of Sydney.

The dividend of the Bank of Egypt has been declared at the rate of 6 per cent., and that of the Ottoman Bank at the rate of 8 per cent., but we are compelled to defer the full reports until next month.

## MONTHLY CHRONOLOGY.

July 30.—The directors of the East India Company raised their rate of exchange for bills on India to 2s. 0½d. per rupee on Calcutta and Madras, and to 2s. 1d. on Bombay, being an advance of ½d. per rupee.

30.—Death of Mr. G. F. Muntz, M.P., for Birmingham, at the age of 63.

30.—Intelligence received of the suspension of Mr. Gustiniani, of Constantinople. Subsequent accounts, however, announce his having resumed business, and that his liabilities are in progress of liquidation.

August 4.—Failure of Messrs. Butty, Hall, and Co., Scotch and Manchester warehousemen, with liabilities amounting to about £50,000, with a deficiency of £37,000. It was arranged that the estate should be wound up under inspection.

4.—The Bank of Amsterdam raised their rate of discount from 4 per cent., at which it had stood from the end of March, to 4½ per cent.

6.—Suspension of Messrs. Carr, Brothers, and Co., of Newcastle-on-Tyne, colliery owners, with liabilities exceeding £700,000. It was subsequently determined, at a meeting of creditors, to liquidate the estate under inspection.

6.—Messrs. Melrose and Hussey, iron founders, of Tivdale, near Dudley, announce their inability to meet their engagements. Their debts were declared to be about £30,000.

8.—Failure of Messrs. Ashmore and Sons, in the drug trade. Their unsecured debts were only about £10,000, and it was arranged that the estate should be wound-up under assignment.

8.—Failure of Mr. A. J. C. Cawthorn, of the Stock Exchange, share dealer. Subsequently declared a bankrupt.

10.—Death of the Rt. Hon. John Wilson Croker, aged 77.

17.—Intelligence received of the failure in laying the Atlantic Telegraphic Cable at a distance of about 300 miles from Valentine Bay.

18.—The Bank of Prussia raised their rate of discount from 5 to 5½ per cent., leaving the rate of interest on advances as before at 6 per cent.

20.—Suspension announced of Mr. J. H. Hayes, corn factor of Liverpool.

21.—Failure of Messrs. Buchanan, Brown and Co., produce brokers, Liverpool. The liabilities estimated at £300,000.

21.—The notes of the Douglas (Isle of Man) Bank, were refused payment by their London agents, Messrs. Williams, Deacon and Co. The bank was established in 1853, with branches at Ramsey and Castletown.

22.—Suspension announced of Mr. William Eassie, of Gloucester, contractor, with liabilities amounting to about £32,000.

24.—Stoppage of Mr. Thomas Stewart, manufacturer, of Stockport. The liabilities slightly over £20,000. A composition of 10s. has been offered.

25.—Messrs. Bruford, Dyer and Co., of Bristol, engaged in the African trade, suspend payment. Their liabilities are estimated at about £100,000. It was agreed at a meeting of creditors to accept 6s. 8d. in the £, to be paid immediately, and the remainder by two further payments of 6s. 8d. each, to be duly guaran-



teed. The suspension is said to have been caused by the failure of Messrs. Jones and Moore, soap-makers, Bristol, who are also negotiating a composition.

38.—Prorogation of Parliament; the royal speech being read by commission,

## **Monetary Intelligence.**

### **REVIEW OF THE MONEY MARKET FOR THE MONTH OF AUGUST, 1857.**

THE state of mercantile and financial affairs during August has not been unsatisfactory. Had the intelligence from India been of a more encouraging character, general circumstances in other respects would have produced greater animation in business. Large arrivals of gold from Australia and America, with the very favourable progress of the harvest, have assisted to keep the money market in a more steady position; and although no reduction in the rate of discount has taken place, the general demand has on occasions been less urgent. The influx of bullion has placed the accounts of the Bank of England in a better position, but the purchases of silver for export to the East, with some operations in gold on account of the Bank of France, have prevented any great amelioration in the terms of accommodation. Business at this period is dull, the fineness of the weather and the disposition to take recreation having caused a thin attendance latterly in most departments. A more than usual number of failures have taken place this month, and they have arisen principally from over-speculation in the provinces, where credit has proved to be less sound than in the metropolis. High rates of discount have prevailed on the Continent, especially at Hamburg, the current quotations having at one moment reached 7 per cent., but it is now quoted 6 per cent. The imports of the precious metals have amounted to £3,934,000, and the exports to nearly £4,200,000.

Operations in the English Stock Market have caused a range of about 1½ per cent., but there has been a considerable recovery from the lowest price, so that, on the average, the decline is not much more than ¾ per cent. The greater part of the fluctuations have been produced by the nature of the advices from India, but the increased abundance of money, with the less unfavourable state of the exchanges, has caused more confidence whenever the first effect of the telegraphic accounts have subsided. A sudden rise on purchases by the public, occurred about the middle of the month, but a re-action soon ensued, the speculators having again come forward and sold. India stock and bonds are still heavy, but the dealers have not speculated to any great extent. Bank stock and Exchequer bills present no important variation.

Foreign securities have fluctuated from one to three per cent., and at the close show rather increased firmness. The speculators have not adventured to any great extent, but within the last few days they have shown a greater disposition to purchase. The half monthly accounts have just been adjusted, but the differences to be paid were exceedingly limited. In Turkish, the operations have been on the most extensive scale, but less speculative activity is now visible in this department.

The railway share market has suffered to a serious extent, but at the latest date there is as light recovery in quotations. Some influence has been



exerted by the arrangement of the account, money having been in less demand than was expected. The operators have apparently sold largely for the fall, and being now compelled to repurchase, there is a corresponding reaction in prices. The results of the half-yearly meetings as far as they have transpired have been of a mixed character, but in many cases the management appears to have improved, and higher dividends have occasionally been declared. Great Western's have proved an especial exception, and from 84½ declined to 51, but are now about 54.

Two or three failures have occurred on the Stock Exchange, owing to losses sustained through the fluctuation in prices, but one has been accompanied with discreditable circumstances, so much so, that his conduct is likely to be made the subject of a criminal investigation, should he be apprehended.

An active business has been transacted in the produce markets, and sugar, coffee, tea and saltpetre have each experienced an improvement; large transactions have occurred in saltpetre, and a considerable rise has consequently taken place.

The following are the fluctuations in the English and Foreign Stocks, and Railway Shares, during the month just concluded :—

					Price on July 28.	Highest.	Lowest.	Price on Aug. 28.
<b>ENGLISH FUNDS.</b>								
Consols	...	...	...	...	90½-91½	91½	89½	90½-90½
Exchequer bills	...	...	...	...	1s. to 5s. dis.	1s. pm.	6s. dis.	4s. dis. to par
<b>FOREIGN STOCKS.</b>								
Brazilian	...	...	...	...	101½	102½	101½	102
Chilian	...	...	...	...	...	103½	103	103
Dutch, 2½ per cent.	...	...	...	...	84	84½	83½	84
Mexican	...	...	...	...	22½	22½	22½	22½
Peruvian, 4½ per cent.	...	...	...	...	81½	82½	80½	82
Russian	...	...	...	...	111½	113½	111	113
Spanish	...	...	...	...	40½	40½	39½	40½
Turkish, 6 per cent.	...	...	...	...	94	95½	93½	94½
Ditto, 4 per cent.	...	...	...	...	102½	102½	99½	99½
<b>RAILWAY SHARES.</b>								
Brighton	...	...	...	...	111½	111½	103	105½
Caledonian	...	...	...	...	75½	79½	75½	80
Eastern Counties	...	...	...	...	11½	11½	10½	11½
Great Northern	...	...	...	...	97½	98½	96	96½
Great Western	...	...	...	...	63½	64½	51	54½
Lancashire and Yorkshire...	...	...	...	...	100½	100½	97½	99½
London and North Western	...	...	...	...	103	103½	101½	102½
Midland	...	...	...	...	83½	84½	83½	84½
South Eastern	...	...	...	...	74½	75	71½	72
South Western	...	...	...	...	100½	100½	93½	94½
York, Newcastle, and Berwick	...	...	...	...	92½	97	91	97
York and North Midland	...	...	...	...	75	79	73½	75
East Indian...	...	...	...	...	100½	102½	99	99½
Northern of France	...	...	...	...	32½	34½	32½	34½



## THE GRAIN TRADE.

In the grain trade there has been scarcely any speculation, but prices have steadily tended downwards. The fall, on the average, is from 5s. to 8s. per quarter, and with the present fine weather the result of the crops cannot be doubted. From abroad the advices are also favourable. The promise of an abundant harvest is, therefore, general. With regard to ordinary operations, there has been a steady inquiry for most descriptions of grain, but quotations are heavy, owing to the late decline in wheat.

The *Gazette* returns for England and Wales have been:—

Week ending 1887.	Wheat. Qrs. sold.	Weekly Average.	Six Weeks'		Duty.	Corresponding Six Weeks Last Year	
			s.	d.		s.	d.
July 25 .....	74,017 ...	62 7 ...	62	6 ...	1 0 ...	74	6
Aug. 1 .....	64,567 ...	59 8 ...	62	5 ...	1 0 ...	74	7
" 8 .....	79,912 ...	58 10 ...	62	0 ...	1 0 ...	75	7
" 15 .....	78,060 ...	59 2 ...	61	3 ...	1 0 ...	75	4
" 22 .....	81,149 ...	59 10 ...	60	7 ...	1 0 ...	75	2

The importations since the harvest of 1856 have been:—

	Wheat. Qrs.	Other Grain. Qrs.	Total Qrs.
Fifty-two weeks ended 15th July ...	3,937,426	3,669,517	7,606,943
Five weeks ended 19th August ...	291,319	430,006	721,325
	4,228,745	4,099,523	8,328,268

And the *weekly averages* have been:—

Fifty-two weeks ended 15th July ...	76,000	70,000	146,000
Five weeks ended 19th August ...	58,000	86,000	144,000
	Less 18,000	more 16,000	less 2,000

## STATE OF TRADE.

THE reports of the state of trade from the manufacturing districts are more encouraging, but there is still little activity in business. The orders from Australia and America have been more numerous, but those from India continue deficient. The high prices of the raw material prevent any large profits being derived by the manufacturer when sales are effected.

## NOTICES TO CORRESPONDENTS.

Two or three meetings, some letters and reviews stand over in consequence of a pressure upon space. Correspondents will please forward communications directed to the Editor, No 8, Birchin Lane, Cornhill; and to ensure punctual attention they should be sent by the 25th of the month.

VERAX.—The accounts are favourable, the bank is making steady progress.

INVESTOR.—*Fortune's Epitome of the Funds* is the most reliable authority.

JUNIOR CLERK.—The position is not desirable under existing circumstances.



	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Bank. Stock, div 4 1/2 p.c. 1/2 year	...	217	...	216	217	...	...	...	216 1/2	216	215	...	...	...	216 1/2	215 1/2	216 1/2	215 1/2	...	...	...	216	...	...	214	216	214 1/2	...	...
3 per Ct. Red. Anns.	91 1/2	90 1/2	91 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	
5 per Ct. Consols. Anns.	91 1/2	90 1/2	91 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	
New 3 per cent. Anns.	91 1/2	91 1/2	91 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	
New 3 1/2 per cent.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
New 3 1/2 per cent.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
5 per cent.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Long Anns. Jan. 5, 1860	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ditto 30 years, Oct. 10, 1859	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ditto 30 years, Jan. 5, 1860	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ditto 30 years, Apr. 5, 1855	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
India Stock (div. 10 1/2 percent.	214 1/2	214 1/2	216	214	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Do. Bonds $\pm$ 1000 (div. 4 p.c.)	194 1/2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ditto, under $\pm$ 500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
3 p. Ct. Cons. for ac. 6th Aug.	91 1/2	90 1/2	91 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	90 1/2	91 1/2	
Ditto for account 9th Sept.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
India Stock for ac. 9th Sept.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ex. Bills $\pm$ 1000, 1/4 p.c. per diem	55d	15d	25d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	
Ditto, $\pm$ 500 do.	55d	15d	25d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	
Ditto. Small do.	55d	15d	25d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	15d	
Ditto. Advertised	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ditto Bonds A 1858 3 1/2 p.c.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ditto under $\pm$ 1000	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ditto B 1859	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
Ditto under $\pm$ 1000	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	

## JOINT-STOCK BANKS.

	£40 sb.,	£40	Latent Prices
Australasia	50	0	61 1/2
British North American	50	0	61 1/2
Bank of London	100	50	0
Commercial of London	100	20	0
Colonial	100	25	0
City Bank	100	50	0
London and Westminster	100	20	0
London Joint Stock	50	10	0
Panama Bank	25	25	0
Provincial of Ireland	100	25	0
National Bank	50	22	10
National Provincial of England	150	35	0
South Australian	25	25	0
Union of Australia	25	25	0
Union of London	20	10	0
London and County	50	20	0
London Chartered of Australia	20	20	0
Bank of India, & Austr. Chartrd.	20	20	0
New South Wales	20	20	0
Bank of Egypt	25	18	15
Osman Bank	20	15	0

## FOREIGN STOCKS

Brazilian Bonds, 5 per Cent.	102
Chilian Bonds, 6 per Cent.	103½
Danish 5 per Cent.	103
Mexican 3 per Cent.	22½
Peruvian 4½ per Cent.	83
Portuguese Bonds, 3 per Cent.	45½
Russian Bonds, 1892, 5 per Cent. in 2 Stks.	113½
Ditto, 4½ per Cent.	99
Spanish Bonds 3 per Cent.	40½
Ditto, 3 per Cent. Deferred	25½
Turkish 6 per Cent.	94½
(Dividends on the above payable in London.)	
Dutch 2½ per Cent.	64½
Ditto 4 per Cent. Loan	99½
French 4½ per Cent., at Paris, Aug. 27, 93.	90c.
Ditto 3 per Cent., ditto	91c.

RAI  
COMPANY.

COMPANY.	Paid up £	Prices Aug. 27.	Prices Aug. 27.
Caledonian..	100	75½	80
Eastern Counties..	20	11½	11½
Great Northern ..	100	97½	96½
Great Western ..	100	63½	54½
London and Blackwall ..	13½	6½	6
London and Brighton ..	100	112	105
North-West ..	100	103½	102½
South-West ..	100	100½	94
Midland ..	100	82½	84½
York, Newcastle, & Berwick ..	100	71½	71½
Great Northern ..	100	92	97½
York & North Midland ..	100	74½	80½

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows:—

## ISSUE DEPARTMENT.

	1857. July 11th.	1857. July 18th.	1857. July 25th.	1857. Aug. 1st.
Notes issued.....	£ 25,413,395	£ 25,665,400	£ 25,501,000	£ 25,135,300
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	3,450,900	3,450,900	3,450,900	3,450,900
Gold coin and bullion .....	10,938,395	11,190,400	11,025,000	10,660,300
Silver bullion .....	—	—	—	—
	25,413,395	25,665,400	25,501,000	25,135,300

## BANKING DEPARTMENT.

	1857. July 11th.	1857. July 18th.	1857. July 25th.	1857. Aug. 1st.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,456,530	3,409,407	3,508,799	3,436,903
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts) ....	3,107,922	3,419,985	4,219,873	5,265,317
Other deposits .....	10,918,691	10,861,098	10,109,909	10,683,000
Seven day and other bills .....	740,668	784,319	747,119	760,489
	33,778,840	33,118,000	33,218,719	34,684,777
Government securities (including Dead Weight Annuities) ....	10,218,734	10,596,881	10,596,881	10,596,881
Other securities .....	10,458,171	10,183,847	10,051,355	10,217,524
Notes.....	5,451,180	5,687,490	5,924,585	5,239,400
Gold and silver coin .....	653,765	650,168	645,998	641,772
	33,778,840	33,118,000	33,218,719	34,684,777

## The Exchanges.

	July 3rd.	July 10th.	July 17th.	July 24th.
Amsterdam, short ..	11 18	11 18	11 18	11 18
Ditto 3 months..	12 0½	12 0½	12 0½	12 0
Rotterdam, ditto ..	12 0½	12 0½	12 0½	12 0
Antwerp, ditto ..	25 52½	25 50	25 47½	25 45
Brussels, ditto.....	25 52½	25 50	25 47½	25 42½
Hamburgh, ditto....	13 8½	13 8½	13 8½	13 8½
Paris, short .....	25 30	25 27½	25 25	25 25
Paris, 3 months .....	25 67½	25 67½	25 65	25 62½
Marseilles, ditto ....	25 70	25 70	25 67½	25 64
Frankfort, ditto ....	119½	119½	119½	119½
Vienna, ditto.....	10 30	10 31	10 31	10 31
Trieste, ditto.....	10 32	10 32	10 32	10 32
Petersburgh, ditto ..	37½	36½	36½	36½
Madrid, ditto .....	48½	48½	48½	48½
Cadix, ditto .....	49½	49½	49½	49½
Leghorn, ditto.....	20 85	20 95	20 95	20 95
Genoa, ditto.....	25 85	25 85	25 82½	25 82½
Naples, ditto.....	42½	42½	42½	42½
Palermo, ditto .....	120½	122½	122½	122
Messina, ditto .....	120	120	120½	120½
Lisbon, ditto .....	52½	52½	52½	52½
Oporto, ditto .....	52½	52½	52½	52½
Rio Janeiro 60 dyn.'s	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£3 17 9	£3 17 9	£3 17 9	£3 17 9
(Standard) .....	0 0 0	0 0 0	0 0 0	0 0 0
Mexican Dollars .....	0 0 0	0 5 1½	0 0 0	0 0 0
Silver in Bars (Stand.)..	0 0 0	0 5 1½	0 0 0	0 0 0



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTES.

## PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		July 11.	July 18.	July 25.	Aug. 1.
	£	£	£	£	£
1 Andover Bank .....	17,751	10,104	12,073	11,093	10,777
2 Ashford Bank .....	11,849	10,997	9,957	10,665	10,515
3 Aylesbury Old Bank .....	48,461	27,545	29,001	28,309	27,545
4 Baldock and Biggleswade Bank ...	37,223	26,570	26,801	26,917	25,959
5 Barnstable Bank .....	17,182	9,167	9,338	9,570	9,799
6 Basingstoke and Odiham Bank ...	24,730	22,460	22,112	23,160	23,579
7 Bedford Bank .....	34,218	34,953	33,923	34,037	33,908
8 Bewdley Bank .....	18,597	11,556	11,753	12,189	11,592
9 Bicester and Oxfordshire Bank ...	27,090	13,845	13,604	12,760	12,686
10 Birmingham Bank—Attwoods & Co.	23,695	24,500	22,926	22,905	22,349
11 Birmingham and Warwickshire Bk.	18,132	9,041	8,740	9,601	9,202
12 Blandford Bank .....	9,723	6,471	6,740	6,645	7,016
13 Boston Bank—Garfit and Co. ....	75,069	71,875	68,555	66,687	67,004
14 Boston Bank—Gee and Co. ....	15,161	15,084	15,048	14,474	14,435
15 Bridgewater Bank .....	10,028	6,962	6,946	6,916	6,453
16 Bristol Bank .....	48,277	29,376	28,203	28,442	28,875
17 Broseley and Bridgenorth Bank ...	26,717	16,937	17,719	17,764	17,534
18 Buckingham Bank .....	29,557	21,936	22,066	21,728	20,803
19 Bury and Suffolk Bank .....	82,362	63,841	65,444	64,046	62,670
20 Banbury Bank .....	43,457	34,317	33,752	33,009	32,622
21 Banbury Old Bank .....	55,153	27,740	26,972	26,101	25,790
22 Bedfordshire Leighton Buzzard Bk.	36,829	36,674	36,430	35,022	36,442
23 Birmingham Bk.—Lloyds & Co. ...	38,816	31,319	33,221	31,345	29,939
24 Bradford Old Bank .....	12,676	13,202	12,656	11,980	11,695
25 Brecon Old Bank .....	68,271	62,372	60,329	57,282	57,102
26 Brighton Union Bank .....	33,794	18,933	17,955	17,097	16,594
27 Burlington and Driffield Bank .....	12,745	12,513	12,390	12,463	12,377
28 Bury St. Edmund's Bank .....	3,201	2,652	2,356	2,330	2,371
29 Cambridge Bk.—Mortlock & Co.	25,744	13,963	14,527	13,688	12,792
30 Cambridge and Cambridgeshire Bk.	49,916	48,748	47,850	46,840	48,800
31 Canterbury Bank .....	33,671	30,622	29,640	29,675	29,046
32 Carmarthen Bank .....	23,597	20,279	20,542	20,423	19,548
33 Chertsey Bank .....	3,436	2,469	2,393	2,776	2,796
34 Colchester Bank .....	25,082	17,244	16,797	16,615	16,767
35 Colchester and Essex Bank .....	48,704	33,829	34,164	33,404	33,414
36 Cornish Bank—Tweedy & Co. ...	49,869	47,526	46,293	44,087	43,962
37 Coventry Bank .....	12,045	6,715	6,811	7,228	7,067
38 City Bank, Exeter .....	21,527	20,723	21,465	21,080	20,218
39 Craven Bank—Alcock & Co. ...	77,154	72,451	71,978	71,525	71,403
40 Chepstow Old Bank .....	9,387	9,390	9,905	9,236	8,362
41 Derby Bank—Messrs. Evans .....	13,332	12,206	12,068	11,333	11,257
42 Derby Bank—Smith and Co. ....	41,304	31,885	32,092	30,875	29,909
43 Derby Old Bank .....	27,237	28,239	26,513	25,280	25,743
44 Devizes and Wiltshire Bank .....	20,674	8,160	8,264	8,049	8,400
45 Diss Bank .....	10,657	10,383	10,199	10,462	10,407
46 Doncaster Bank and Retford Bank	77,400	72,829	70,753	70,424	69,295
47 Darlington Bank .....	86,218	83,827	81,805	82,121	82,200
48 Devonport Bank .....	10,664	9,269	9,180	9,445	9,092
49 Dorchester Old Bank .....	48,807	48,211	47,948	47,456	48,035
50 East Cornwall Bk.—Robins & Co.	112,280	93,711	94,663	95,876	95,193
51 East Hiding Bank—Bower & Co.	53,392	53,057	51,695	51,821	51,588
52 Essex Bk. & Bishops Stortford Bk.	69,637	44,937	44,296	43,405	42,117
53 Exeter Bank .....	37,894	29,108	28,177	25,906	25,308
54 Faringdon Bk. & Bk. of Wantage	8,977	8,268	7,900	7,474	7,513
55 Farnham Bank .....	14,202	11,533	10,850	10,765	10,216
56 Faversham Bank .....	6,681	6,119	5,954	6,250	6,446
57 Godalming Bank .....	6,322	4,972	4,508	4,196	4,213



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		July 11.	July 18.	July 25.	Aug. 1.
58 Guildford Bank .....	£ 14,524	£ 14,447	£ 13,955	£ 13,202	£ 12,389
59 Grantham Bank—Hardy and Co.	30,372	25,921	25,486	23,957	23,038
60 Hereford City and County Bank..	22,364	18,706	18,638	18,881	17,754
61 Hull & Kingston-upon-Hull Bank	19,979	20,989	19,965	18,398	18,622
62 Huntingdon Town & County Bank	56,591	48,179	47,803	46,045	46,423
63 Harwich Bank .....	5,778	5,449	5,335	5,142	5,196
64 Hertfordshire, Hitchin Bank .....	38,764	32,603	31,378	30,495	28,222
65 Hereford, Ross, & Archenfield Bk.	27,625	25,738	25,933	27,310	26,675
66 Ipswich Bank .....	21,901	20,096	20,155	19,499	20,015
67 Ipswich & Needham Market Bank	80,699	61,311	58,803	59,173	60,538
68 Kentish Bank—Mercer & Co. ...	19,895	10,440	10,084	10,016	10,335
69 Kington and Radnorshire Bank...	26,050	24,399	23,991	24,297	23,950
70 Knarborough Old Bank .....	21,825	20,432	19,760	19,524	19,966
71 Kendal Bank .....	44,663	42,771	41,666	41,709	41,353
72 Longton Staffordshire Bank .....	5,624	5,294	5,220	5,120	5,259
73 Leeds Bank .....	53,357	53,856	54,456	51,966	52,289
74 Leeds Union Bank .....	37,459	36,280	37,435	37,811	38,005
75 Leicester Bank .....	32,322	27,311	26,205	24,374	23,507
76 Lewes Old Bank .....	44,836	20,855	16,378	14,768	14,780
77 Lincoln Bank .....	100,342	92,395	89,639	86,435	83,736
78 Llandovery Bank & Llandilo Bank	32,945	23,814	24,368	21,965	19,911
79 Loughborough Bank .....	7,359	6,970	6,694	6,653	6,595
80 Lymington Bank .....	5,038	4,184	4,033	3,782	3,851
81 Lynn Regis and Lincolnshire Bank	42,817	36,517	36,727	34,513	34,547
82 Lynn Regis and Norfolk Bank ...	13,917	13,140	12,910	12,576	12,381
83 Macclesfield Bank .....	15,760	14,570	14,887	14,128	13,942
84 Manningtree Bank .....	7,692	1,109	1,178	1,352	1,609
85 Merionethshire Bank .....	10,906	7,260	6,386	6,471	5,795
86 Miners' Bank .....	18,688	18,909	18,703	19,202	17,206
87 Monmouthshire Agricultural and Commercial Bank .....	29,335	29,525	30,015	29,767	26,775
88 Monmouth Old Bank .....	16,385	16,525	16,420	15,610	14,899
89 Newark Bank .....	28,788	20,022	19,250	18,618	18,458
90 Newark and Sleaford Bank .....	51,615	48,355	47,255	45,710	45,461
91 Newbury Bank .....	36,787	20,214	19,592	20,162	18,480
92 Newmarket Bank .....	23,098	18,303	18,533	18,011	17,928
93 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	47,985	47,846	46,547	46,144
94 Norwich and Norfolk Bank .....	105,519	101,803	101,448	97,448	97,051
95 Nottingham, Nottinghamshire ...	10,866	9,041	9,333	9,388	9,279
96 Nuneaton Bank .....	5,898	2,912	2,882	2,950	2,641
97 Naval Bank, Plymouth .....	27,321	20,420	21,010	20,612	21,242
98 New Sarum Bk.—Everett & Smith	15,659	9,495	9,547	9,523	9,870
99 Nottingham Bank .....	31,047	32,455	28,387	27,843	28,621
100 Oswestry Bank .....	18,471	12,316	10,967	10,085	9,800
101 Oxford Old Bank .....	34,391	35,138	33,325	32,113	31,972
102 Old Bank, Tonbridge .....	13,183	7,553	6,925	6,698	6,364
103 Oxfordshire Witney Bank .....	11,852	10,701	10,262	10,072	9,707
104 Pease's Old Bank, Hull .....	48,807	47,630	47,349	46,136	45,120
105 Penzance Bank .....	11,405	10,404	9,953	10,040	10,747
106 Peterborough Bank—Yorke & Co.	12,545	8,770	9,190	8,510	8,713
107 Pembrokeshire Bank .....	12,910	13,071	12,149	12,075	11,626
108 Reading Bank—Simmonds & Co.	37,519	30,490	29,725	29,326	28,699
109 Reading Bk.—Stephens & Blandy	43,271	30,983	31,280	31,163	29,264
110 Richmond Bank, Richmond .....	6,889	6,635	6,170	6,180	5,991
111 Rochdale Bank .....	5,590	4,288	4,365	4,412	4,340
112 Rochester, Chatham, & Strood Bk.	10,480	8,299	7,898	7,335	7,730
113 Royston Bank .....	16,393	11,855	11,520	11,491	11,867
114 Rugby Bank .....	17,250	9,151	9,046	8,659	8,887
115 Rye Bank .....	29,864	10,025	10,066	9,611	10,364
116 Ross Old Bank, Herefordshire ...	4,420	4,149	3,665	4,330	4,237



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		July 11.	July 12.	July 25	Aug. 1.
	£	£	£	£	£
117 Saffron Walden & North Essex Bk.	47,646	25,819	23,881	23,390	23,711
118 Salop Bank .....	22,338	16,621	15,324	14,527	13,893
119 Scarborough Old Bank .....	24,813	21,756	22,092	22,437	22,531
120 Shrewsbury Old Bank .....	43,191	39,260	37,386	35,476	35,757
121 Sittingbourne and Milton Bank...	4,789	2,890	3,070	3,011	2,910
122 Southampton Town & County Bk.	18,589	12,814	12,334	11,889	11,625
123 Southwell Bank .....	14,744	10,978	11,041	10,597	10,334
124 Southampton and Hampshire Bk.	6,77c	3,067	2,945	2,865	2,947
125 Stone Bank .....	9,154	325	325	325	325
126 Stafford Old Bank .....	14,166	14,504	12,988	12,480	12,626
127 Stamford and Rutland Bank .....	31,858	25,986	26,060	24,900	23,149
128 Shrewsbury and Welsh Pool Bank	25,336	24,222	24,072	22,580	21,465
129 Taunton Bank .....	29,799	24,441	25,133	24,995	24,601
130 Tavistock Bank .....	13,421	10,126	9,379	8,591	8,685
131 Thornbury Bank .....	10,026	8,311	8,513	8,405	7,975
132 Tiverton and Devonshire Bank ..	13,470	12,756	12,464	12,070	11,078
133 Thrapstone and Kettering Bank..	11,559	11,097	11,362	11,929	11,470
134 Tring Bank and Chesham Bank..	13,531	14,015	13,273	12,695	11,779
135 Towcester Old Bank .....	10,801	6,942	7,016	6,451	6,860
136 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	9,227	9,486	9,205	8,983
137 Union Bank, Cornwall .....	17,003	15,456	14,750	15,170	16,207
138 Uxbridge Old Bank .....	25,136	12,485	12,565	12,465	12,096
139 Wallingford Bank .....	17,064	8,321	8,159	7,985	7,822
140 Warwick and Warwickshire Bank	30,504	23,812	24,798	24,105	23,172
141 Wellington Bank, Somerset .....	6,528	6,031	6,461	6,219	6,106
142 West Riding Bank .....	46,158	45,669	45,925	45,405	44,126
143 Whitby Old Bank .....	14,258	14,020	13,639	13,285	13,402
144 Winchester, Alresford & Alton Bk.	25,892	16,222	17,267	19,035	19,771
145 Weymouth Old Bank .....	16,461	15,280	15,703	15,938	15,662
146 Wirksworth and Derbyshire Bk.	37,602	35,719	35,916	34,385	32,878
147 Wisbeach and Lincolnshire Bank	59,713	48,502	48,399	46,263	45,387
148 Wiveliscombe Bank .....	7,602	5,620	6,035	6,078	6,635
149 Wolverhampton Bk.—Goodricke	14,180	9,464	11,942	13,041	13,183
150 Worcester Bank .....	15,463	4,770	4,800	5,676	5,735
151 Worcester Old Bank .....	87,448	62,740	63,623	64,170	62,871
152 Wolverham. Bk.—R. & W. Fryer	11,867	11,139	12,007	11,472	11,359
153 Yarmouth and Suffolk Bank .....	53,060	45,471	44,894	42,898	41,734
154 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,592	12,513	11,885	11,245
155 York Bank .....	46,387	40,145	39,992	40,770	41,033

## JOINT STOCK BANKS.

1 Bank of Westmoreland .....	12,225	9,403	9,241	8,643	8,566
2 Barnsley Banking Company .....	9,563	9,049	9,209	9,260	8,845
3 Bradford Banking Company .....	49,292	49,675	50,415	47,880	48,207
4 Bilton District Banking Company	9,418	10,384	9,206	7,624	8,996
5 Bank of Whitehaven .....	32,681	29,073	28,804	27,899	26,774
6 Bradford Commercial Banking Co.	20,084	20,301	20,353	19,097	18,525
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	49,540	47,971	46,045	43,601



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		July 11.	July 18.	July 25.	Aug. 1.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	10,409	10,120	10,057	10,311
9 Cumberland Union Banking Co....	35,395	35,894	33,369	31,896	31,818
10 Coventry and Warwickshire Bk. Co.	28,734	23,324	25,529	25,853	24,021
11 Coventry Union Banking Company	16,251	14,245	14,428	14,515	14,583
12 County of Gloucester Banking Co.	144,352	110,526	110,355	106,440	103,517
13 Carlisle & Cumberland Banking Co.	25,610	24,986	24,790	24,505	25,157
14 Carlisle City and District Bank ...	19,972	19,187	19,766	19,849	19,776
15 Dudley & West Bromwich Bk. Co.	37,696	40,443	40,116	37,923	31,209
16 Derby and Derbyshire Banking Co.	20,093	20,185	19,960	18,616	19,373
17 Darlington Dist. Joint Stock Bk. Co.	26,134	26,479	24,651	24,340	23,152
18 East of England Bank .....	25,025	25,756	25,269	23,525	21,968
19 Gloucestershire Banking Company	155,920	149,238	148,789	145,692	142,050
20 Halifax Joint Stock Bank.....	18,534	18,406	18,747	18,642	18,057
21 Huddersfield Banking Company...	37,354	34,911	38,197	38,289	35,060
22 Hull Banking Company .....	29,333	24,245	23,329	21,202	20,465
23 Halifax Commercial Banking Co...	13,733	14,273	13,617	13,305	12,726
24 Halifax & Huddersfield Union Bk.	44,137	44,475	46,040	43,006	40,256
25 Helston Banking Company .....	1,503	1,464	1,555	1,495	1,400
26 Herefordshire Banking Company..	25,047	27,125	27,439	24,663	20,642
27 Knaresborough and Claro Bk. Co.	28,059	26,780	24,235	23,778	24,090
28 Kingsbridge Joint Stock Bank ....	3,952	3,078	3,135	3,206	3,115
29 Lancaster Banking Company .....	64,311	55,310	54,221	53,308	52,316
30 Leeds Banking Company .....	23,076	23,020	23,467	22,007	23,724
31 Leicestershire Banking Company...	86,060	71,552	68,371	64,558	60,366
32 Lincoln and Lindsey Banking Co.	51,620	52,750	51,666	47,065	43,404
33 Leamington Priors and Warwick- shire Bank .....	13,875	10,653	9,997	9,228	9,038
34 Ludlow and Tenbury Bank .....	10,215	10,225	9,375	9,584	9,601
35 Moore & Robinson's Notts. Bank...	35,813	33,320	32,815	33,714	36,843
36 Nottingham and Notts. Banking Co.	29,477	28,249	27,375	27,008	26,600
37 National Provincial Bk. of England	442,371	436,270	431,271	426,739	419,562
38 North Wilts Banking Company ...	63,939	37,910	39,007	37,713	38,831
39 Northamptonshire Union Bank ...	84,356	77,485	75,749	72,625	71,521
40 Northamptonshire Banking Co. ...	26,401	19,077	19,223	18,429	18,395
41 North and South Wales Bank .....	63,951	57,725	57,635	55,726	54,281
42 Pare's Leicestershire Banking Co...	59,300	49,782	45,445	44,586	44,711
43 Saddleworth Banking Company ...	8,122	1,862	2,277	2,446	2,369
44 Sheffield Banking Company.....	35,843	37,095	34,785	35,758	35,400
45 Stamford, Spalding & Boston Bk. Co.	55,721	47,799	49,561	47,740	46,465
46 Stuckey's Banking Company .....	356,976	326,885	326,343	323,710	320,570
47 Shropshire Banking Company.....	47,951	49,276	48,919	43,458	43,657
48 Stourbridge and Kidderminster Bk.	56,830	56,700	56,243	57,111	55,741
49 Sheffield and Hallamshire Bank ...	23,524	24,287	23,436	21,945	22,612
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,289	53,114	51,792	52,523
51 Swaledale and Wensleydale Bank..	54,372	49,457	50,432	48,905	45,390
52 Wolverhampton & Staffordsh. Bk..	35,378	37,647	36,953	32,254	32,052
53 Wakefield and Barnsley Union Bk.	14,604	14,534	14,263	14,922	14,421
54 Whitehaven Joint Stock Bank ...	31,916	28,111	27,395	26,955	25,655
55 Warwick and Leamington Bk. Co.	37,124	29,392	28,528	27,393	26,116
56 West of England and South Wales District Bank.....	83,535	73,320	73,027	71,443	69,153
57 Wilts & Dorset Banking Company	76,162	73,635	75,592	74,795	72,646
58 West Riding Union Banking Co....	34,029	32,620	34,018	33,368	32,585
59 Whitchurch and Ellesmere Bk. Co.	7,475	4,890	4,579	4,272	4,530
60 Worcester City and County Bk. Co.	6,848	6,327	6,917	6,774	6,480
61 York Union Banking Company ...	71,240	69,320	58,642	67,485	67,268
62 York City and County Banking Co.	94,695	88,912	89,145	87,417	85,000
63 Yorkshire Banking Company .....	122,532	120,895	121,705	120,318	118,098



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	July 11.	July 18.	July 25.	Aug. 1.
155 Private Banks.....	£4,457,507	£3,654,968	£3,607,317	£3,537,003	£3,491,973
63 Joint-Stock Banks..	3,302,357	3,061,415	3,039,802	2,959,796	2,895,124
<b>218 Totals .....</b>	<b>7,759,864</b>	<b>6,716,383</b>	<b>6,647,119</b>	<b>6,496,799</b>	<b>6,387,097</b>

*Average Weekly Circulation of these Banks for the month ending August 1st:—*

Private Banks .....	£3,572,915
Joint-Stock Banks .....	2,989,034

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above £6,561,949*

On a comparison of the above with the Returns for the month ending 4th July last, it shows:—

A decrease in the notes of Private Banks, of .....	£44,336
A decrease in the notes of Joint-Stock Banks, of .....	19,500
<b>Total decrease on the month.....</b>	<b>£63,836</b>

And, as compared with the month ending August 2nd, 1856, it shows—

A decrease in the notes of Private Banks, of .....	£160,840
A decrease in the notes of Joint-Stock Banks, of .....	1,080
<b>Total decrease, as compared with the same period of last year .....</b>	<b>£162,520</b>

The following is the comparative state of the circulation, as regards the fixed issues—

The Private Banks are below their fixed issues.....	£884,593
The Joint-Stock Banks are below their fixed issues.....	312,323
<b>Total below the fixed issues .....</b>	<b>£1,197,916</b>

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 1st day of August, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	2,016,750	1,262,075	3,278,825	821,632
Provincial Bank of Ireland	927,667	415,212	543,585	958,797	338,029
Belfast Bank .....	281,611	85,103	311,282	396,386	267,947
Northern Bank .....	243,440	45,177	212,532	257,709	153,191
Ulster Bank .....	311,079	66,165	309,635	375,800	130,173
National Bank of Ireland...	852,269	614,003	552,185	1,166,188	553,199
<b>TOTALS (Irish Banks) ...</b>	<b>6,354,494</b>	<b>3,242,410</b>	<b>3,191,294</b>	<b>6,433,705</b>	<b>2,264,171</b>

### SCOTCH BANKS.

Bank of Scotland .....	300,485	123,451	251,540	374,991	139,601
Royal Bank of Scotland ...	183,000	97,013	156,045	253,058	111,846
British Linen Company .....	438,024	162,255	289,794	452,049	153,776
Commercial Bk. of Scotland	374,880	144,526	296,906	441,433	149,171
National Bank of Scotland..	297,024	104,083	209,881	313,965	90,436
Union Bank of Scotland and Banking Com. in Aberdeen	415,690	176,045	338,127	514,172	153,579
Edinburgh & Glasgow Bk...	136,657	65,240	91,378	156,618	35,775
Aberdeen Town and Co. Bk.	70,133	45,132	75,140	120,272	58,092
North of Scotland Bk. Co...	154,319	89,971	103,807	193,778	65,666
Dundee Banking Company	33,451	16,782	24,961	41,743	15,167
Eastern Bank of Scotland...	33,636	14,971	25,046	40,017	14,177
Western Bank of Scotland..	337,938	132,664	323,138	455,802	175,651
Clydesdale Banking Co. ...	104,028	46,492	102,310	148,802	61,750
City of Glasgow Bank .....	72,921	122,821	195,005	317,826	291,340
Caledonian Banking Co. ...	53,434	24,182	46,735	70,918	32,770
Perth Banking Company ...	38,656	14,443	30,803	45,247	18,144
Central Bank of Scotland...	42,933	16,303	35,482	51,786	28,665
<b>TOTALS (Scotch Banks)...</b>	<b>3,087,209</b>	<b>1,396,374</b>	<b>2,596,098</b>	<b>3,992,477</b>	<b>1,595,606</b>



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO AUGUST 1, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 1st August, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks... £6,423,795  
Average Circulation of the Scotch Banks 2,992,477

Total Average Circulation of these Banks for the past month ..... £10,426,162

On comparing these amounts with the Returns for the month ending 4th July last, they show—

Decrease in the Circulation of Irish Banks £147,688  
Decrease in the Circulation of Scotch Banks 196,323

Total decrease on the month ..... £336,161

And, as compared with the month ending August 2nd, 1856, they show—

Increase in the Circulation of Irish Banks £301,650  
Decrease in the Circulation of Scotch Banks 13,007

Total increase on the year..... £288,643

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows :—

6 Banks in Ireland, allowed to issue... £5,334,094  
16 Banks in Scotland, allowed to issue .. 3,087,309

24 Banks in all, allowed to issue..... £8,421,403

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are above their fixed issue .. £79,311  
Scotch Banks are above their fixed issue .. 985,366

Total above the fixed issue ..... £1,064,677

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows :—

Gold and Silver held by the Irish Banks £2,364,171  
Gold and Silver held by the Scotch Banks 1,595,666

Total of Gold and Silver Coin ..... £3,959,837

Being a decrease of £44,933 on the part of the Irish Banks and a decrease of £135,958 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO AUGUST 1, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 1st August, 1857 :—

Circulation of Notes for the Month ending 1st August, as compared with the previous month :—

	July 4.	Aug. 1.	Increase.	Decrease.
Bank of England .....	£19,046,811	£19,655,896	£609,085	—
Private Banks .....	3,617,341	3,372,915	—	£244,326
Joint-Stock Banks .....	3,008,534	2,989,634	—	19,500
Total in England .....	25,672,686	26,417,845	609,085	62,326
Scotland .....	4,101,000	3,992,477	—	108,523
Ireland.....	6,581,343	6,433,795	—	147,688
United Kingdom.....	£36,354,929	£36,844,027	£489,095	£319,987

The comparison of the month ending August 2nd, 1856, with the month ending August 1st, 1857, shows a decrease in the Bank of England circulation of £800,550, a decrease in Private Banks of £160,840, and a decrease in Joint-Stock Banks of £1,680; being a total decrease in England of £963,070; while in Scotland there is a decrease of £13,007; and in Ireland an increase of £301,650. Thus showing that the month ending 1st August, as compared with the same period last year, presents a decrease of £963,070 in England, and a decrease of £674,427 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending August 1st, gives an aggregate amount in both departments of £11,601,985. On a comparison of this with the Return for the month ending July 4th, there appears to be an increase of £357,524; and a decrease of £780,704 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 1st August, was £3,859,777; being a decrease of £180,891 as compared with the return of the previous month, and an increase of £15,843 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

## Journal of the Money Market.

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OCTOBER, 1857.

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### THE AMERICAN PANIC.

THE state of commercial affairs in the United States, and more particularly at New York, has for some time past given indications that a monetary crisis was fast approaching; but probably the most nervous were little prepared for the gigantic crash that has just taken place, and which continued with more or less virulence for about three weeks previous to the date of the last advices. The pressure on the money markets, caused by over speculation, chiefly in the shares of some of the doubtful and less stable of the railway companies, began at first to tell upon the smaller country banks, some of which were soon compelled to succumb; this naturally led to a corresponding pressure on the New York houses, but these for the most part being more firmly established and backed by larger capital, added to a greater degree of caution, were enabled to overcome the difficulty. Day by day it became more evident that the crisis was fast arriving, and on the 27th of August it was announced that the Ohio Life and Trust Company, one of the leviathan establishments—but, as it has since proved, conducted on anything but a sound commercial or legitimate basis—had been compelled to close its doors.

That the failure of such a concern, involving an amount of upwards of 7,000,000 dollars, could take place without drawing with it in its fall kindred institutions, was not to be expected, and from that moment failures were announced from all parts, which for a time threatened a total revulsion in the commercial and monetary affairs of the Union. For two or three weeks the panic gradually increased, and it was only when the stability of



the old-established banks and large trading firms had been tested to the utmost, that anything like a return of confidence began to manifest itself. According to the latest advices, a more satisfactory state of affairs was beginning to prevail, but it was still feared that before a perfect restoration could be looked for, the present fearful list of disasters would be considerably enlarged.

With respect to the Ohio Life and Trust Company, it had—as was the case with the Royal British Bank, to which its transactions are unfortunately not very dissimilar—been for some time regarded with slight suspicion. Although not precisely analogous, it was a sort of *Crédit Mobilier*, on a less extensive scale it is true than that established in France, but nevertheless with an area for operations sufficient to encompass great mischief. That its business has not been confined to legitimate banking, is a fact which has long been patent, but perhaps it was not believed to carry its operations to the extent it now appears to have done. It is stated that the Pittsburg and Cleveland Road owes it 500,000 dollars, for which its bonds are pledged. The Bank of Norwalk has its account with the company, and report that its funds, as well as its collection paper, have been used by the Trust Company in common with the collection paper of other houses. The funds of many western establishments are also made unavailable, causing much personal inconvenience.

It would be impossible at present to give anything like a correct statement, either with respect to the number of, or the amount involved by, the failures of the last few weeks; but the subjoined particulars, imperfect as they must be, will give some idea of its importance. First in the list are Messrs. E. C. Bates and Co., merchants, of Boston, whose liabilities were put down at 500,000 dollars; followed immediately by the suspension of Messrs. Whiting and Hinds, merchants of the same city, and Messrs. Brewster and Co., bankers of Rochester; also of Mr. Joseph Fairweather, of St. John's (N. B.) with liabilities estimated at between £30,000 and £40,000. Then we have the announcement of the failure of the Ohio Life and Trust Company, which, as already stated, took place on the 27th of August, and from that date followed in quick succession the failures of Messrs. De Launy, Iselin and Clark, and Mr. E. S. Munroe, members of the Brokers' Board—the former extensive foreign bill brokers, but their embarrassments are said to extend only to their stock business. Mr. John Thompson, who for many years had done the leading business in uncurrent money, and acted as the agents of various banks, was compelled also to suspend. The other failures include Messrs. Tuttle, Cutting and Co., and Messrs.



Bates, Griffin and Livermore, of New York, in the grain and flour trade; Messrs. Coffin and Haydock, auctioneers, and Messrs. L. W. Kirby and Co., dry goods jobbers of Warren (Pen.), the liabilities of the latter being reported at 500,000 dollars, but with clear assets of 700,000 dollars. Messrs. Stillman, Allen and Co., extensive machinists, Messrs. Saroni and Goodheim, clothiers of Boston, liabilities 500,000 dollars; Messrs. Beebe and Co., bankers and bullion dealers, New York; Messrs. J. H. Prentice and Co., hat and fur dealers, New York; Messrs. Adams and Buckingham, flour dealers, New York; Messrs. Breese, Kneeland, and Co., car and locomotive manufacturers, Jersey; the Mechanics' Banking Association, New York; the Ontario County Bank and Bank of Orleans; Messrs. Hatch and Langdon, of Cincinnati; the Rhode Island Central Bank; Messrs. Allen and Son, cloth printers, Providence, Rhode Island, and Mr. H. Allen, liabilities together, 1,500,000 dollars; Messrs. Reeves, Abbott, and Co., iron manufacturers, Pennsylvania, liabilities £160,000; and Messrs. Reeves, Birch and Co., also of Pennsylvania; Messrs. Hudson, Robertson, and Pulliam, importers of manufactured goods, New York, liabilities £160,000; Mr. F. G. Swan, warehouseman, liabilities £240,000; Mr. Stephen Colwell, old iron merchant, Philadelphia, liabilities £100,000; Bank of New Jersey, liabilities £40,000; Messrs. M. I. Bell and Co., money dealers, New York; Messrs. L. and V. Kirby, importers, of New York; Messrs. Fitzhugh and Littlejohn, of Oswego, carriers; Messrs. Grant, Sayles, and Ford, produce receivers; Messrs. Niles and Kinne, and Messrs. W. Foote and Co., of Buffalo; and Messrs. Wellington and Eastman, of Baltimore. In addition to the foregoing the Reciprocity Bank, Buffalo Bank, Niagara River Bank, and the Tonawala Bank are reported to be in difficulties.

In connection with this subject it may be remarked, that the Americans have greatly suffered from railway indebtedness, and recent difficulties will probably inculcate more caution for the future. It is, however, to be feared that the worst point has not been reached, if the *exposé* recently made with regard to the Michigan Southern Company is to be taken as an example. It may be premised that, in consequence of the gross irregularities—to use a milder term—which had been discovered in the management of the company, a committee has been appointed to investigate its affairs, and their report was expected to be issued about the 25th September. In anticipation of what may be then brought to light, the *New York Herald* says:—

“We have not time nor space to take up in regular order, or to give the history of each company on the list, but some of these valuable securities



have been obtained in very curious ways. The Cincinnati, Peru, and Chicago bonds, for instance, to the amount of 200,000 dollars, were purchased by some of the board of management of this company at about 50 cents on the dollar, and then guaranteed by the Michigan Southern Railway Company. The Cincinnati, Peru, and Chicago first and second mortgage bonds, to the amount of 48,000 dollars, were purchased of the same parties, out and out, by the Michigan Southern Company. The entire list of railroad bonds and stocks held by company is totally valueless. The book and open accounts of the concern present a very interesting exhibit. The loan to the treasurer of the Cleveland and Toledo Railroad Company, of 45,000 dollars, was out of the proceeds of the guaranteed preferred stock issued by the Michigan Southern Company. As the instalments on that 1,500,000 dollars were paid in, there was a great gathering of hungry borrowers. The Cleveland and Toledo Company got hold of 45,000 dollars, and other parties got a good slice, as will be seen by the list. It is not at all strange that the floating debt of the Michigan Southern Railroad Company was nearly as large after the issue of the preferred stock as before. Plankroad companies' stocks and drafts figure conspicuously in the list of assets, but the committee will probably consider them of very little value. One item among this class deserves their particular attention. It appears to be a fair question for solution how the Oswego and Indiana Plankroad Company's drafts on Messrs. Litchfield and Stryker, for 32,500 dollars, got among the assets of the Michigan Southern Railroad Company. The individual notes of certain parties, amounting in the aggregate to between two and three hundred thousand dollars, make an item of some importance, which should receive the careful consideration of the committee. And in conclusion, before closing their labours, the committee should carefully examine what constitutes the cash and cash items put down at 229,185 dollars 63 cents. We do not see among the assets the name of a well known dry goods house in Broadway, who have for some time past been in the habit of exchanging their notes for those of the Michigan Southern Railroad Company. It may be that as it was a fair exchange on both sides, no account of the operation appears on the books of either concern. It is, we believe, upon the security of the above list of assets that the Michigan Southern Railroad Company intends issuing 1,600,000 dollars of bonds for the liquidation of a portion of its floating debt. It is to be hoped that there are very few railroad companies in this country like the Michigan Southern, that very few have been made the receptacle for speculators of all worthless bonds and stocks which came into their possession through private operations, but we fear that very few are exempt from this private system of financiering, and of this practice on the part of their managers of getting rid of a lot of valueless securities by palming them off upon the stockholders. We believe that most of our railroads would show, if exposed to the same extent, just such a beggarly account of assets as the Michigan Southern Company. It may be some time before they are found out, but sooner or later an *exposé* must be made, and all their rottenness presented to the public mind. The process of contraction and liquidation has commenced in our railroad companies, and it must go on until a thorough reform overtakes the entire interest involved in these important works of internal improvement."

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## THE BANK OF LONDON V. COCKBURN AND ANOTHER

THE proceedings taken by the Bank of London against William Cockburn and William John Lawson for conspiring to publish a libel with a view to damage the credit of that establishment, and the result of the trial in the Court of Queen's Bench, are such as must give general satisfaction, not only to the banking interest, but to all joint-stock institutions, which are peculiarly open to the slanderous attacks of persons who, in the position of the defendants, may, whether justly or otherwise, consider themselves aggrieved through the conduct of directors individually or as a body. The jury, according to the evidence, could have pronounced no other verdict than that of *guilty*; but, in awarding the punishment, we think Lord Campbell, whilst expressing very strongly his sense of the enormity of the offence, did not carry out to the extent he might have done the sentence such an offence demanded. To persons in the position of the defendants, doubtless twelve months imprisonment in Newgate is a severe punishment, but when the incalculable mischief which might have arisen from their dastardly proceedings, had they not been promptly put a stop to, are taken into consideration, one is inclined to the opinion that had they been transferred to the House of Correction, where they would have to undergo hard labour, the object for which all punishments are mainly instituted would have been more fully attained.

It cannot be denied that the press is one of the greatest protections to all legitimate commercial enterprise, on the one hand, whilst on the other it is the scourge of every institution founded on or carried out by fraud, and of those who by scheming and villany prey upon their fellow men. For all such purposes it is justly regarded as one of the institutions of the country, but when in unscrupulous hands it is directed from the public weal to subserve base and personal ends, it becomes an engine of the most dangerous character, and its conductors are very properly held amenable to the law. We are not prepared to deny that in some of the earlier numbers of the publication in which the libel on the Bank of London appeared, (previous to its falling into the hands of the defendants) promise was given of its being legitimately conducted, and with regard to some of the late commercial frauds, information was given and facts stated in its columns which doubtless to the parties concerned proved extremely useful, but it is to that very fact, that when legitimate objects are set aside and calumnies are resorted to from personal motives, that the greater danger is to be apprehended.



The difficulties which so frequently present themselves in establishing a charge of libel were absent in the case under consideration, as the connection of the defendants was so clearly identified with the publication in question, and the *animus* with which both of them were actuated was placed beyond a doubt. As regards the defendant Cockburn, we find that his ostensible occupation was that of an advertisement agent, and in the course of his business he made frequent applications to the Bank of London for their advertisements. For a time they were given to him, but, for certain reasons, were soon withdrawn, and there can be no doubt that from that moment his mind was made up to cause, if possible, the ruin of the bank. To have accomplished his object, it was impossible to have selected a more opportune moment, as the public mind was at the time in a state of feverish anxiety in consequence of the disclosures then being made with reference to the proceedings of the directors of the Royal British Bank, and the publication of any unfavourable intelligence with regard to any other bank was sure to have a most serious effect, but which, at other times, might possibly have passed by almost unheeded. In the other defendant, Lawson, Cockburn found a ready accomplice. Having for many years been known in city circles, and having published several useful works connected with banks and banking, he knew well the sort of statement which would be most likely to create alarm amongst shareholders and depositors. He, too, had a small "reckoning" to settle with the directors. It appears that some years since he endeavoured to get up a joint-stock bank, which he proposed to call the Bank of London, and had the draft of a prospectus printed, but being unable to induce any respectable parties to become directors, or to get his shares taken up, the scheme proved a complete abortion. Nothing more was heard of the concern till after the present bank had been for some time in existence, when suddenly Lawson turned up, and made a claim upon the directors for pirating the name of the "Bank of London," and even went so far as to commence an action against the directors, but which the court decided, upon demurrer, would not lie. From that moment the defendant's animosity became confirmed, and in order to satiate his revenge upon the directors, he hesitated not to commit an act which, had it succeeded, would have effected the ruin of thousands, and been, in all probability, a calamity second only to that of the Royal British Bank.

It would be a fallacy to deny that the publication of the libel, although suppressed by the energetic proceedings adopted by the authorities of the Bank, did not, to a certain extent, have a pre-



judicial effect, in the first instance, by materially depressing the value of the shares in the market, and, subsequently, by the withdrawal of accounts, but it is satisfactory to know that neither in the one case nor in the other was the injury so great as might have been expected, more particularly as the public were not made fully aware of the nefarious conduct of the defendants till the trial took place—a period of nearly three months from the time of the offence being committed. The late frauds in the commercial world, and the *exposé* of the Royal British Bank, have made the public more than usually sensitive as to the disposal of their capital, and it will doubtless be a long time before confidence is again firmly established. It is at such a juncture every thing tending to create excitement should be avoided, and as we have seen that the law is strong enough to reach such persons, it is to be hoped that, should others be found capable of imitating the example of Messrs. Cockburn and Lawson, the parties libelled will act with the promptitude and decision evinced by the authorities of the Bank of London, when perhaps those who have to dispense the law may be induced to administer such a punishment—for they have the power—as will prevent a repetition of such offences.

With regard to the law as applicable to the case, Lord Campbell, in summing up, said “the jury were the guardians of private character and commercial integrity. The charge against the defendants was that they had conspired together, by the publication of libels, to vilify the character of the directors, and to injure the credit of the bank. If they thought the article was only a fair comment upon a public establishment, they would say it was no libel. In that case the charge could not be made out, for the publication of the libel was the principal overt act. The question, then, was whether the article was a fair comment on the facts before the person who wrote the article. Then the question would be whether the defendants had combined together to cause a run upon the bank? There could be no doubt that Cockburn employed Lawson to write the article to vilify the directors. If they thought the article was libellous, and that the defendants had conspired to vilify the directors, and so to injure the credit of the bank, then they would say that the defendants were guilty, but if on the other hand they thought the article was only a fair comment, they would say they were not guilty.”

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## THE GOLD CURRENCY QUESTION.

(From the *Bombay Times*, July 29.)

WHILE we have been "propheying to dry bones" in this country on the subject of a gold currency, the *Economist*, we see, is prepared to recognise the propriety of taking the matter at once into consideration, on the grounds we have so frequently pointed out. Well, the *Economist* is our authority on commercial matters. Our very able and influential contemporary confesses "his inability to comprehend why the same Government should have two or more rules for regulating currency as latitude and longitude vary;" in other words, why a double currency should be permissible in England and prohibited in India.

At the outset, we may state that so far from regarding the present crisis of affairs as inopportune for the advocacy of measures of economic progress in the country, we entertain much doubt whether so favourable an occasion may be expected to present itself again for a century. The crushing of this rebellion will be the moment of Governmental strength, and we are disposed to urge most warmly upon the authorities, the propriety of availing themselves of the fact to grapple with the currency question, and the kindred one of weights and measures. We take the opportunity in passing, again to state our deliberate recognition of the merits of Mr. Bayley's scheme, laid before the East India House, and already discussed in this journal, for simplifying and assimilating the weights and measures of the country. Our approval was not hastily given to it; indeed, we were strongly disposed to regard it at first unfavourably, but so desirable is it that some step should be taken, and so certain is the merit of Mr. Bayley's plan, that we are disposed to withdraw our former recommendation to shelve it for a while, and to advocate its introduction without delay. The country has to be quieted as it is; the dangerous class of the disaffected is already in open rebellion; and we cannot perhaps do better than override with a single effort the revolt of the army, and the annoyance of dishonest traders in the bazaar at the introduction of a measure which will rob them of their unlawful gains. Any hope of introducing a decimal system of weights and measures, is undoubtedly as chimerical as Mr. Bayley believes.

We are entirely at issue with him, however, when he tells us that any one acquainted with India must regard as equally hopeless the adoption of a decimal system of coinage there. We should at once agree with Mr. Bayley, were it necessary to a decimal system, that we should abandon the rupee and the sub-divisions of value now in use; but the fact is (and this he has overlooked) that our present currency system is next door to a decimal one already, and just far enough removed from it only, to lose all its peculiar and immense advantages. We do not advocate any abandonment of the present system, but a most insignificant modification of the value of the copper part of the currency, when lo! the work is done, and our coinage is become decimal! The great merits of this simple discovery are not ours, and the time will doubtless arrive when we may with propriety indicate to whom they exclusively belong. By availing ourselves of it, the Indian currency will have become decimal, without the working masses of the country perceiving that any change has taken place at all, while by a similar and inappreciable modification of the value of the English farthing, the two currencies will run in parallel divisions of value. In all the propositions of my Lord Overstone, and his committee, the fatal element is that their adoption would be a most violent interference with the calculating customs of the country, and fraught consequently with intolerable inconvenience.



If the Government of India could be induced to seize the opportunity which the present crisis is bringing, of introducing—

1. Mr. Bayley's system of weights and measures ;
2. The decimal coinage system of the *Bombay Times*, and
3. A gold currency, based thereon ; the new century which has been inaugurated after so bloody and tragical a fashion, would bear along with it, down the course of time, pledges of a prosperity to the country, such as it has never yet seen.

To return to the gold currency question, after this long digression. We believe it is just as impossible for any man acquainted with the facts of the Indian trade, to discern a good objection to it, as it is to the *Economist*. Silver is less fitted than it ever was to compete with gold as the medium of exchange amongst nations. So rapid has been the growth of commercial relations in all parts of the world, in the last four years, that it is difficult to understand how they could have been maintained, but for the discoveries of the gold fields of America and Australia. There is evidently no plethora of gold in any one market of the world, and the most rapid and incessant interchange is ever going on in all. The great Babylon of commerce in our day needs every ounce that the new mines produce, and the fear that their discovery would tend to the depreciation of the metal, every day's experience shows to be less and less well founded. Meantime China and India are quietly draining the silver of the world into themselves, and the last four mails have been bringing it eastward by millions. With the China demand it would be perhaps impossible to interfere effectually ; with India the remedy is in our own hands now, but it will be a costly one by-and-bye.

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#### FAILURE OF THE BANK OF MESSRS. HARRISON, WATSON, AND CO.

ANOTHER bank failure, occasioned, it is alleged, through imprudent advances, was announced on the 24th of September. The firm in question are Messrs. Harrison, Watson, and Co., of Hull, an old and very respectable establishment, whose credit has hitherto been well maintained. The amount of debts and liabilities, it is feared, will be rather large, and no estimate can be ventured respecting assets, little definite information having transpired. The cause of embarrassment is believed to be heavy advances to the Hull Flax and Cotton Mills Company, an undertaking which, after having been carried on for 20 years, is about to be put in process of liquidation. The affairs of this company are known to have been for some time in a critical position, and the failure of late attempts to raise money in the London market may have hastened the event. The directors have convened a meeting to consider the propriety of dissolving the company ; but they propose to continue the mills now in operation, and express a hope that the undertaking may be reorganised. This double catastrophe has occasioned great agitation in Hull, but it is not supposed that it will affect the position either of Messrs. R. and J. Harrison, or of Messrs. Harrison Brothers, who are also engaged in trade in the locality. The Hull papers furnish some curious particulars of the Hull Flax and Cotton Mills Company, which it is stated was registered under the



Joint-stock Companies Act. It was first established in 1836, with a capital of £100,000 in 1,000 shares of £100 each, the objects contemplated being the purchase, importation, manufacture, and sale of flax and cotton. In 1840 the capital was increased to £150,000, and then the first dividend of 5 per cent. was paid. Subsequently the annual distribution was increased to 7 per cent., but in 1842 losses were experienced, and the dividend was reduced to 3 per cent. Success having again been supposed to attend operations the distribution was 7 per cent. in 1843, while in 1844 it reached 10 per cent. In the following year, the capital meanwhile having been increased to £225,000, the payment was equal to 12½ per cent. In 1846 the dividend was diminished to 11 per cent., and in 1847 it was reduced to 5 per cent., while in 1848 it was found necessary to suspend any distribution. There was once more, apparently, a recovery in its fortunes, and in 1849, when the capital was further increased to £337,000, the dividend was 7 per cent. The dividend afterwards varied from 10 per cent. in 1850 to 7 per cent. in 1852; and from 4 to 2 per cent. in 1853 and 1855, since which date no distribution has been announced. The vicissitudes of trade, if there have been no malpractices, have certainly borne hardly upon this undertaking; but it is not improbable when the circumstances come to be fully inquired into that acts of indiscretion, if not more serious errors, have been committed. With respect to the present position of the company, it is stated that the amount owing on the debenture and banking account is £280,000, and that a sum of £360,000 has been expended on buildings and machinery. The value of the shares in 1845 was £243, but they are now wholly unsaleable, some of the proprietors, it is asserted, being ready to give £20 per share to be released from further liability.

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#### THE STATE OF THE MONEY MARKET.

THE position of the money market is now attracting some attention, and it is generally considered that a rise in the rate of discount will be experienced at no distant date. A variety of causes are in operation to produce an effect upon the value of money; and the state of credit in America and on the Continent, leads most persons to exercise a vast degree of caution. Many of the failures in London and the Provinces have also exhibited features which are calculated to awaken apprehension, and since the efflux of bullion continues on a scale of magnitude, there are few redeeming circumstances to create a contrary impression. The advantageous results of the harvest, not alone in this country, but also throughout Europe and America, will of course be recognised if any undue pressure should be experienced, although further than assisting to mitigate its intensity, there is not likely to be any great effect. A contemporary dealing with the question, thus remarks:—

The money market for some weeks past has been very steady, but during the last fortnight rather more stringency has been experienced. In Lom-



bard-street and elsewhere only the best paper can be discounted at  $5\frac{1}{2}$  per cent. ; in fact, the leading bill brokers are not anxious to take even the best bills at this rate ; and although they are compelled to do so for such of their customers as occupy a first class position in point of credit, they not unfrequently carry such bills themselves to the bank, obtaining money there at the same rate. By this means they keep up their relations with their high class customers, although making little or no profit upon this description of paper. For all bills even a shade below the best more than  $5\frac{1}{2}$  per cent. is charged, and this somewhat less choice kind of paper is that upon which the bill brokers at present realise their chief profits, and which they consequently prefer. This state of the market cannot be considered unfavourable to the operations of the legitimate trader, for, although the value of money is firmly maintained, the requisite accommodation is readily procurable, and confidence in the general stability of commercial affairs remains strong. It is not high rates of discount so much as hesitation on the part of lenders that clogs trade and renders the community anxious, and of such hesitation there is at present no sign whatever. The general commerce of the country is not only progressing steadily, but has attained an unprecedented increase ; and this is a feature of no small significance at a time when such great exertions are rendered necessary by the extension of the Indian revolt, and when the nation is at length alive to the fact that a large portion of our immense Indian territories will have to be absolutely reconquered from a numerous enemy consisting chiefly of troops carefully trained and equipped by ourselves.

But whilst the steadiness of trade, and of the money market, in face of the financial and other demands arising out of the Indian rebellion, is thus satisfactory, it may be as well to point out several features which tend to discourage the hope of an easier state of monetary affairs. Scarcely a doubt can be entertained that the rates of discount would have been considerably lower at the present season but for the outbreak in India ; whether the reduction would have been permanent is more dubious. But, taking affairs as they are, it seems clear that for some weeks to come—and no one whose opinion is worth having pretends now-a-days to look beyond a few weeks into the future of the money market—those persons who based their hopes of ease upon the securing of an undeniably fine harvest, must be content to abandon them. That money will continue in good demand until the payment of the dividends, which will take place on the 14th October, is certain ; for when trade is brisk there is always an active demand during the few weeks preceding that date. This is the inevitable result of the influx into the Bank of a large amount of Treasury deposits, by which the general circulation of the country is proportionately contracted. At the same time we must not lose sight of the fact that the “other securities” held by the Bank reach already a very large amount. In the last return, extending to the 12th of September, it was stated at £18,864,052 ; and the return for the week ending last Saturday will doubtless exhibit a large addition under this head. The total, in fact, reaches a point which, so far as our observation goes, is quite incompatible with any relaxation in the market. With the release of the dividends some temporary ease may be experienced ; but it will probably be found that an unusually large proportion of these funds will at once flow back to the Bank in repayment of advances. In this way much of the dividend money will be absorbed.

There are many persons of judgment who adhere to the opinion that, as the nation will need comparatively small supplies of foreign grain until next harvest, gold will accumulate in the Bank, leading gradually to an improvement in the money market. In the more remote future this view



may perhaps be realised, but hitherto the absorption by the Continent of our extensive imports of gold, has formed one of the most remarkable features of the time. Even during the last ten days close upon a million sterling in gold has come to hand from Australia alone, besides some considerable arrivals from other quarters; yet nearly the whole of this has been, or will be, sent away. More than a million is known to be still *en route* from Australia, and the subsidence of the monetary panic in New York will probably be followed by a resumption of specie shipments to this country; but, looking at the activity of the Continental demand, at the comparative flatness of the exchanges, which are almost low enough to admit of the transmission of gold to the Continent as an ordinary exchange operation, and at the difficulty which the Bank of France experiences in keeping up its stock of bullion, there is scarcely ground for the expectation that the promised accumulation in our Bank will yet commence. The value of money on the Continent, instead of falling, is rising, and this influence, acting on the exchanges, still draws from this country all the gold it can spare. Indeed, the recollection of the monetary disturbance which set in on the Continent about this date, in the years 1855 and 1856, is sufficient to warrant caution, for a comparatively slight upward movement of the Continental markets would probably raise the rate of discount here to 6 per cent.

It is somewhat remarkable that the increased demand for gold on the Continent is contemporaneous with a positive decrease in our imports of silver from that quarter. In the present month—viz., by the packets of the 4th and 20th September—the shipment of specie and bullion from Southampton to the East have £1,359,011—a large sum, certainly; but in August the amount was £1,790,977. As there is reason to apprehend that the shipments in October will equal, if not exceed, those of the present month, we can scarcely hope that the remittances of gold to the continent will speedily slacken. These various considerations all tend to induce a belief that, whatever may be the course of the money market months hence, the rates of discount will be maintained at fully their present level for some weeks to come.

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### MERCANTILE SUSPENSIONS.

THE following is a list of the mercantile suspensions in England during the past month. Those in America, through the panic, have been so numerous, that we have included them in a separate list in the monthly chronology. The English failures, with the exception of Messrs. Harrison, Watson, Hall and Co., of Hull, bankers, have not been of importance, but it is feared that later in the year more important disasters may take place:—

Sept.—Messrs. Warburton and Omershaw, Manchester, silk trade.

H. F. Fardon and Co., Bromsgrove, soap trade.

A. Croasfield, Bristol, merchant.

C. Isaacs, Bristol, Australian trade.

G. Wyld and Sons, Bristol distillers.

Perren and Co., Bristol, merchants.

W. Summerskill, Manchester, silk trade.

— Lynd, Leeds, oil trade.

Harrison, Watson and Co., Hull, bankers.

(The American failures are comprised in the Monthly Chronology.)

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## COMMITTEE OF DEPUTIES FROM THE JOINT-STOCK BANKS.\*

A general meeting was called by the following circular :—

July 11th, 1857.

GENTLEMEN,—I beg to inform you that a general meeting of deputies from the joint-stock banks of England, Wales, and Ireland will be held at the London Tavern, at one o'clock, on Tuesday, the 14th instant, for the purpose of taking into consideration "The Joint-Stock Companies' Banking Bill, introduced into the House of Commons by Mr. Lowe, the vice-president of the Board of Trade, and for the purpose of receiving the report of the committee upon the proceedings that have taken place since the last general meeting.

I am, gentlemen, your obedient servant,

OLIVER VILE, Hon. Secretary.

*The Directors of the*

*Banking Company.*

Pursuant to the above notice, a general meeting was held at the London Tavern, Major Moore, a director of the National Provincial Bank of England, in the chair.

The honorary secretary having read the notice convening the meeting, then proceeded to read the following report of the committee of deputies :—

### REPORT.

"It may be proper to remind the present meeting that this association of deputies from the joint-stock banks was formed on the 21st of November, 1838, and its object was then denoted by the following resolutions :—

"1. That experience has proved that the system of joint-stock banking established in this country has been productive of great national advantages, and is therefore entitled to legislative protection and encouragement.

"2. That it is the opinion of this meeting that the laws affecting joint-stock banks require amendment.

"3. That to effect this object a committee be appointed to communicate with her Majesty's Government to watch over such measures as may be introduced into Parliament, and to promote the passing of such laws as may be beneficial to joint-stock banks and to the public.

"4. That the following gentlemen be requested to form this committee, with power to add to their number.

"The measures adopted by the committee which was then appointed, and the success which attended their labours up to the end of the year 1844, were published in a little book entitled, 'Proceedings by the Committee of Deputies,' and circulated amongst the joint-stock banks, with copies of the acts of Parliament which were passed in that year, viz. :—7 and 8 Victoria, caps. 32, 113, and 111.

"The last general meeting of the deputies was held in the year 1850, with reference to a bill respecting the stamp duties, introduced into the House of Commons by Sir Charles Wood. A detail of the proceedings which then took place will be found in the *Bankers' Magazine* for May, 1850.

"In the year 1855, the Chancellor of the Exchequer introduced a bill into Parliament imposing a stamp duty of one penny on every cheque

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\* The record of these proceedings was omitted last month owing to pressure upon space.



drawn on a banker, but in consequence of the steps taken by the London sub-committee of deputies he was induced to withdraw this measure. A full account of the proceedings in connection with this subject was circulated among the joint-stock banks, and will be found in the *Bankers' Magazine* for June, 1855.

"The present general meeting of deputies is called for the purpose of taking into consideration a bill to amend the law relating to banking companies recently introduced into the House of Commons by the Right Honourable Robert Lowe, the Vice-President of the Board of Trade. The meeting will, at the same time, re-appoint the committee and fill up those vacancies that have occurred since the year 1838.

"The committee have only to add that, since the formation of the association, the joint-stock banks have not been asked for any further contribution to its funds, and the balance now in hand is £250 8s. 5d.

"Signed, on behalf of the committee,

"OLIVER VILE, Hon. Secretary.

The following resolutions were then unanimously adopted.

1. That the report now read be received, and that the thanks of this meeting be presented to the committee for the attention they have paid to the interests of joint-stock banks.

2. That the following gentlemen, with power to add to their number, be requested to become members of the committee, and that those members who reside in London, and all country members when in London, shall constitute a sub-committee, with full power to act on behalf of this association, in cases in which they may not think it advisable to call a general meeting.

Lord Ernest Bruce, M.P.; \*Sir Charles M. Burrell, Bart., M.P.; Aldn. Sir R. W. Carden, M.P.; E. S. Cayley, Esq., M.P.; Aldn. Sir James Duke, Bart., M.P.; J. C. Ewart, Esq., M.P.; \*William Ormsby Gore, Esq., M.P.; Archibald Hastie, Esq., M.P.; William Jackson, Esq., M.P.; Aldn. Sir Peter Laurie; William Lee, Esq., M.P.; Thomas Luce, Esq., M.P.; Sir John McTaggart, M.P.; Mr. Sheriff Mechi; Sir Joseph Paxton, M.P.; J. L. Ricardo, Esq., M.P.; J. A. Roebuck, Esq., M.P.; Sir J. V. Shelly, Bart., M.P.; Major-Gen. Sir F. Smith, M.P., F.R.S.; W. Tite, Esq., M.P., F.R.S. \*Mr. Amery, manager of the Stourbridge and Kidderminster bank; Mr. Bagehot, manager of Stuckey's banking company; Mr. Banckhart, a director of the Leicestershire banking company; \*Mr. Bates, general manager of the West of England and South Wales district bank; Mr. J. H. Bowley, a director of the County of Gloucester bank; Mr. Cobb, general manager of the Hull banking company; Mr. Coulston, manager of the Lancaster banking company; Mr. Davidson, manager of the Carlisle City and District bank; \*Mr. Derry, general manager of the Devon and Cornwall bank; Mr. Edmonds, general manager of the Stamford, Spalding, and Boston Bank; Mr. Frith deputy-chairman of the Bank of London; \*Mr. Gilbert, general manager of the London and Westminster bank; \*Mr. Gordon, general manager of the Cumberland Union bank; Mr. Hartland, a director of the Gloucestershire banking company; \*Mr. Henshaw, a director of the National bank; Mr. Ewart, secretary of the Provincial bank of Ireland; Mr. Leeman, a director of the Yorkshire banking company; Mr. Aldn. Meek, a director of the City and County bank, York; Mr. Palmer,

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\* Note—The ten names marked by an \* were members of the committee at its formation in the year 1838.



general manager of the North Wilts banking company ; Mr. Provis, general manager of the Wilts and Dorset bank ; Mr. Rae, general manager of the North and South Wales bank ; Mr. Robertson, general manager of the National Provincial Bank of England ; Mr. Scott, general manager of the Yorkshire banking company ; \* Mr. Walker, chairman of the directors of the Sheffield and Rotherham Bank ; \* Mr. Wilson, general manager of the East of England bank ; Mr. Winterbotham, a director of the Gloucestershire banking company.

3. That this meeting, representing the interest of joint-stock banking companies in various parts of the United Kingdom, expresses its opinion that any proposed alteration in the law affecting joint-stock banks requires ample time for consideration, which, in the judgment of those now assembled, cannot be afforded during the present session of Parliament to the bill which has been introduced by the Government.

4. This meeting is also of opinion that any alteration in the law affecting joint-stock banks, should be contained in an act confined to joint-stock banking companies, and that they should not be mixed up with Acts of Parliament which are applicable to other trading companies.

5. That a deputation from this meeting be therefore appointed to wait upon the vice-president of the Board of Trade, and to respectfully urge upon him the withdrawal of the present bill, and in the event of his refusal, to request him to make the registration of all existing joint-stock banks permissive and not compulsory.

An appointment having been obtained for an interview with Mr. Lowe, the deputation proceeded to the offices of the Board of Trade, and having been introduced by Mr. Luce, M.P. for Malmsbury, Mr. Bates, on behalf of the deputation, read to Mr. Lowe the resolutions passed at the meeting at the London Tavern, and explained the objections felt by the deputation to the bill in its present shape.

The vice-president treated the deputation with the utmost courtesy, and listened attentively to all they urged in support of their views ; and, after various explanations had been given, Mr. Lowe consented to alter the bill so as not to make registration under it compulsory upon joint-stock banks regulated or formed under the 7th George IV., cap. 46, and to limit the compulsory powers of the bill to banks formed since the Act 7 and 8 Victoria, cap. 113 ; and he also, at the suggestion of the deputation, consented to omit the objectionable portions of clause 15.

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#### TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for the month of July were issued on the 26th August, and exhibit an extraordinary and unlooked for extent of business, the increase in the declared value of our exportations, as compared with the corresponding month of last year, having been £2,233,306, or about 22 per cent. Notwithstanding the complaints from Manchester of unremunerative prices, cotton goods figure for a large portion of the augmentation ; but in this case allowance must be made for the increased value of the staple. Woollens stand next, and then come metals, machinery, haberdashery and hardware. Not a single important production appears on the adverse side, and it is a remarkable fact that the shipments to India of Manchester goods, as well as of most other articles, instead of presenting a falling off, have



been generally steady, and in some instances on an improved scale. The subjoined table exhibits the exact increase or decrease under each head :—

## DECLARED VALUE OF EXPORTATIONS.

Months ending July 31st, 1856, and July 31st, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£189,152	£225,773	£36,621	—
Beer and ale ... ..	113,078	125,329	12,251	—
Books ... ..	35,290	42,934	7,644	—
Butter ... ..	77,480	49,831	—	£27,649
Candles ... ..	37,419	17,559	—	19,860
Cheese ... ..	13,829	7,664	—	6,165
Coals and culm ... ..	285,227	322,798	37,571	—
Cordage ... ..	20,828	20,992	—	236
Cottons ... ..	2,488,081	2,928,821	440,740	—
Cotton yarn ... ..	675,859	878,947	203,697	—
Earthenware ... ..	109,832	139,324	29,492	—
Fish ... ..	22,440	15,988	—	6,452
Furniture ... ..	19,889	24,761	4,872	—
Glass ... ..	45,641	61,141	15,500	—
Haberdashery ... ..	346,853	442,986	96,133	—
Hardwares ... ..	317,686	400,831	83,145	—
Leather ... ..	162,458	226,512	64,054	—
Linens ... ..	389,389	439,242	49,853	—
Linen yarn ... ..	112,828	181,245	18,917	—
Machinery ... ..	256,880	898,141	141,261	—
Iron and steel ... ..	1,103,335	1,237,692	134,357	—
Copper and brass ... ..	232,578	366,964	134,386	—
Lead ... ..	44,565	71,077	26,512	—
Tin ... ..	131,596	168,019	36,423	—
Oil seed ... ..	57,752	42,930	—	14,822
Painters' colours ... ..	33,929	35,884	1,955	—
Pickles and sauces ... ..	46,879	31,062	—	15,817
Plate and jewellery ... ..	37,326	40,589	3,263	—
Salt ... ..	35,841	25,709	—	10,132
Silks ... ..	311,960	355,316	43,356	—
Soap ... ..	25,704	17,413	—	8,291
Soda ... ..	53,901	70,983	17,082	—
Spirits ... ..	112,681	59,480	—	53,201
Stationery ... ..	69,834	66,699	—	3,135
Sugar, refined ... ..	30,204	21,878	—	8,326
Wool ... ..	95,680	260,923	165,243	—
Woollens ... ..	896,127	1,306,065	409,938	—
Woollen Yarn ... ..	227,679	862,656	134,977	—
Unenumerated articles ... ..	701,525	760,274	68,749	—
Total ... ..	9,968,226	12,201,532		

The total of our exports for the first seven months of the year has been £73,027,913, showing an increase of £9,091,271, or more than 14 per cent. The changes have occurred in the following manner :—

January, increase ... ..	£1,083,319
February — ... ..	1,587,293
March — ... ..	1,007,778
April — ... ..	560,918



May, increase	...	...	...	...	£2,648,904
June, decrease	...	...	...	...	30,247
July, increase	...	...	...	...	2,233,306

Compared with the corresponding seven months of 1855 the increase is £21,765,208, or 42 per cent.

With regard to imported commodities, the arrivals during the month have not been heavy. There has been a diminution in wheat and flour, but other descriptions of grain show an increase. Cocoa, coffee, sugar and spices present a reduction both in arrivals and consumption. Wines and spirits likewise show a reduction in consumption, although the arrivals have been large. Tea and tobacco have been taken in increased quantities.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Months ending July 31st, 1856, and July 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	484,957	299,848	484,957	299,848
Grain of other descriptions, qrs.	214,002	309,675	214,002	309,675
Indian corn, qrs.... ..	204,969	58,439	204,969	58,439
Flour and meal, cwt. ... ..	762,457	107,115	762,457	107,115
Provisions—Bacon, &c. &c., cwt.	181,215	50,468	Free.	Free.
Butter and cheese, cwt. ... ..	94,938	87,591	94,220	85,279
Animals, No. ... ..	40,083	31,610	Free.	Free.
Eggs, No. ... ..	11,376,400	12,744,000	11,376,400	12,715,200
Cocoa, lb. ... ..	1,201,216	554,025	353,329	186,460
Coffee, lb. ... ..	5,899,491	5,575,082	2,857,364	2,798,821
Sugar, cwt. ... ..	1,148,577	959,942	781,831	490,809
Tea, lb.... ..	7,872,505	4,358,101	5,431,073	6,148,872
Rice, cwt. ... ..	524,800	173,887	129,018	126,229
Spirits, gallons ... ..	850,472	983,071	856,836	807,987
Wines, gallons ... ..	852,850	935,624	633,918	623,398
Tobacco, lb. ... ..	1,152,830	3,389,651	2,065,068	2,772,660
Currants, figs and raisins, cwt....	3,580	3,467	11,215	17,746
Lemons and oranges, bushels ...	3,002	12,187	3,372	9,563
Spices, lb. ... ..	1,259,238	593,256	815,613	295,776
Ditto, cwt. ... ..	982	8,292	248	1,482

The following are the comparative imports and exports of raw material, showing a great increase in the arrivals of silk :—

Months ending July 31st, 1856, and July 31st, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	145,976	270,295	—	—
Hemp, cwt ... ..	213,993	114,316	—	—
Raw silk, lb. ... ..	463,867	893,326	75,480	141,704
Cotton, cwt.... ..	932,547	752,232	105,358	172,074
Wool, lb. ... ..	21,117,810	16,741,042	1,416,808	2,895,599
Tallow, cwt. ... ..	82,792	69,567	—	—



**Of silk manufactures the totals stand thus :—**

Months ending July 31st, 1856, and July 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Silk manufactures of Europe, lb.	73,873	64,323	71,296	62,245
Ditto of India, pieces ... ..	41,886	18,751	10,636	7,033

The miscellaneous imports have been of moderate amount. Hides, copper, iron, and timber show an increase, the arrivals and consumption of the latter having been considerable.

**THE BANK OF FRANCE.**

THE *Moniteur* publishes the following monthly debtor and creditor account of the Bank of France, made up to Thursday, September 10.

DEBTOR.	F.	C.
Capital of the Bank .....	91,250,000	0
Ditto, New .....	91,250,000	0
Reserve of the Bank .....	12,980,750	14
Ditto, New .....	9,125,000	0
Ditto in landed property ...	4,000,000	0
Bank notes in circulation ....	541,616,600	0
Ditto of the branch banks ..	51,279,800	0
Bank notes to order .....	5,897,926	65
Receipts payable at sight ..	5,115,809	0
Treasury account-current, creditor .....	121,577,188	87
Sundry accounts-current....	118,507,877	95
Do. with the branch banks ..	25,248,595	0
Dividends payable .....	710,710	25
Discounts and sundry in- terests .....	1,048,127	87
Commission on deposits ...	8,826,157	22
Re-discounted during the last six months .....	2,268,887	81
Protested bills .....	8,868	77
Sundries .....	1,708,828	87
	<hr/>	
F. 1,092,409,818		50

CREDITOR.	F.	C.
Cash in hand .....	119,752,834	78
Cash in the branch banks ..	128,219,422	0
Commercial bills overdue ..	855,937	63
Do. discounted, but not due ..	293,060,074	96
Ditto in the branch banks ..	289,587,073	0
Advanced on deposit of bullion .....	126,300	0
Do. by the branch banks ..	1,935,700	0
Do. on French public secu- rities .....	22,560,136	10
Do. by the branch banks ..	5,755,370	0
Do. on railway securities ..	17,558,500	0
Do. by the branch banks ..	9,348,650	0
Do. to the State on agree- ment of June, 1848 .....	50,000,000	0
New shares, not disposable ..	103,500	0
Government stock reserved ..	12,980,750	14
Ditto disposable .....	52,189,460	88
Hotel & furniture of the Bk. Landed property of the branch banks .....	4,000,000	0
	5,013,992	0
Expenses of the Bank ...	766,348	40
Premium on the purchases of gold and silver .....	696,120	20
Sundries .....	529,148	47
	<hr/>	
F. 1,092,409,318		50

**Certified by the Governor of the Bank of France, DE GERMINY.**

This return presents no very striking features. The stock of bullion was £9,920,000, showing an increase of £120,000, which is less than had been anticipated, especially as the recent purchases had been large. The position of the establishment has been strengthened by a diminution of £664,000 in the note issues. There has also been a decrease of £740,000 in the discounts and of £628,000 in the deposits of the public. In the balances of the Government an augmentation has occurred of £130,000. In the advances on stocks there has been no alteration, and in those on railroad securities the movement has been limited to an increase of £38,000.



## THE LONDON AND EASTERN BANKING CORPORATION.

A PETITION has been presented to Vice-Chancellor Wood on behalf of Mr. Abel Stuart, of South-bank, Regent's-park, and Mr. George Duplex, of Torrington-square, praying that an order absolute may be granted for the dissolution of the London and Eastern Banking Corporation, and that its affairs may be wound-up under the provisions of the Joint-stock Companies Winding-up Acts. The petitioners cite, among other reasons for the said winding-up, the following:—That the bank was formed in 1854; that a deed of settlement was prepared on the 1st of September, 1854, setting forth that Mr. Joseph Harris, of Frederick-place, London; Mr. James Gray William Curtis, of Thornhill Bray, Ireland, and Mr. Thomas Chadwick, of 26, Porchester-terrace, London, agreed with others to form the joint-stock bank in question, and that its capital shall be £500,000, in shares of £100 each, and with power to augment the same; and that each shareholder has paid up £50 each said share. The petition to be allowed to form the company proceeds to state that the following shall be the first officers of the company, viz.—the Hon. J. C. Erskine, Mr. R. J. Lattey, Mr. J. C. Morris, Colonel Thomas Chadwick, Mr. Robert Griffith, and Mr. John Edward Stephens, shall be the first directors; and that Mr. James E. Coleman, and Mr. George Edward Lyons shall be the first auditors of the company. Having referred to the conditions on which the bank was proposed to be formed, the following are cited:—

“The books relating to the general affairs of the company shall be balanced thirty days at least before each ordinary general meeting, and forthwith on the books being so balanced an exact report and balance-sheet shall be made up, which shall exhibit a true statement of the capital, stock, credits, and property of every description belonging to the company, and the debts due by the company at the date of making such balance-sheet, and a distinct view of the profit or loss which shall have arisen on the transactions of the company in the course of the preceding year; and previously to each ordinary general meeting, such report and balance-sheet shall be examined by the directors, or any three of their number, and shall be signed by the chairman of the directors, and shall thereupon be recorded in the books of the company.

Whenever a loss of at least 25 per centum on the capital for the time being paid up has been sustained, it shall be incumbent on the directors to summon an extraordinary general meeting, to consider the propriety of dissolving the company, and any meeting so summoned may come to a resolution to dissolve the company, and the same shall thereupon be dissolved in all respects as is provided by the next clause.

Whenever a loss of at least 75 per centum on the subscribed capital for the time being of the company has been sustained, it shall be incumbent on the directors, and in their default for twenty-one days after notice given to them so to do, it shall be lawful for any one shareholder to summon an extraordinary general meeting for the dissolution of the company; and the dissolution of the company by such meeting, or by any meeting at which it shall appear that a loss of 75 per centum on the subscribed capital shall have been incurred, shall be valid and effectual, without the confirmation of any second or other general meeting; and although the number of shareholders required by any regulation of the company, either for the resolving on a dissolution or as the quorum of a general meeting, shall not have been present.

That numerous persons applied for shares in the said company, to whom the same were allotted, and in respect whereof they executed the said deed



of settlement, and paid the first instalment of £50 per share thereon, to the amount in the aggregate of £250,000.

"That a sufficient amount of the capital of the said company for that purpose having been subscribed, the said association or company applied for and obtained a charter of incorporation, but such charter contains no limitation of the liability of the shareholders in the said company to the proportion of capital subscribed for by them respectively.

"That the said company commenced business in or about the year 1854, and established a head office at No. 27, Cannon-street, in the city of London, and branch offices at the following places:—An Eastern branch at No. 44, Mark-lane, London; a Hyde Park branch at No. 136, Westbourne-terrace, Hyde-park; a Western branch at No. 20, Pall Mall. St. James's-street; a Calcutta branch, at Courail-house-street, Calcutta; and a Bombay branch at Church-street, Bombay.

"The directors of the said company were—the Hon. Cadwallader Erskine, chairman; John Carnac Morris, deputy chairman; Colonel Chadwick, Mr. Henry Fendall, Mr. John Edward Stephens, and Colonel William Petre Waugh.

"That the said John Edward Stephens was also the manager.

"That very shortly after the said company had commenced business, the directors commenced making advances out of the paid-up capital of the said company to each other on insufficient or without any security other than personal, and at a rate of interest considerably lower than would and ought to have been obtained for such advances, had the same been made to persons unconnected with the said directors and in the ordinary and proper conduct of the business of the said bank, and among others the said John Carnac Morris, John Edward Stephens, and Colonel Waugh. The directors advanced and lent to Colonel Waugh the sum of £237,000 upon security of a nature and value wholly insufficient to warrant such an advance, even if made *bond fide* to a stranger, and upon the realization of such security a loss to the amount of £100,000 and upwards, or some other very considerable loss, will in all probability arise.

"That the said Colonel Waugh has, since the stoppage of the business of the said banking company, become bankrupt.

"That the mode in which such advances had been made and the capital of the company dealt with by the directors was wholly concealed by them from the shareholders until after the failure of the said company, and, although they continued to hold meetings of the shareholders, no mention whatever was made in any of their accounts or statements that the company was in any other than a flourishing condition; and that its paid-up capital was invested in good and sufficient security.

"That the first annual meeting of shareholders in the said company was held on the 31st of July, 1856, when a report was presented by the directors, with the account of assets and liabilities; but neither in the statement of assets nor in the said report is there any mention made of the advances made to the said directors. At this meeting Colonel Chadwick and Mr. John Edward Stephens retired from the direction, and Colonel E. E. W. Wingfield Yates and Robert John Lattey, who was one of the auditors of the said company, were appointed directors in their stead.

"That the directors, according to the provisions of the said statute, published in the *London Gazette* a monthly statement of assets and liabilities, and the last monthly statement which they published of the assets and liabilities of the said company, on the 27th of February, 1857, dated from the head office in Cannon-street, and signed by the said John Edward Stephens, manager, and among the assets is the following item:—'East



India and Government securities, bills of exchange, Treasury and agency draughts, credits, discounts, and cash in hand, £989,925 14s. 4d.'

"That such item was delusive and untrue, inasmuch as therein was included the advances made to the said Colonel Waugh, then amounting to £237,000, which absorbed nearly the whole of the paid-up capital of the company, and which security the directors then well knew was not only insufficient, but not immediately available even to the extent of its sufficiency, and it included also the advances made to the said John Carnac Morris and the said John Edward Stephens, the manager.

"That in less than a month after the publication of the said statement the business of the company as bankers stopped, and a meeting of the shareholders was called and held on the 25th of March, 1857, at which meeting the shareholders were, for the first time, made aware of the alarming position of their affairs, and that the liabilities of the said company over and above the assets expected to be realized exceeded £240,000, and that, not only was the capital paid up of £50 on each share lost, but that it would require at least the remaining £50 per share to be paid up by the shareholders, who were all individually responsible for the full amount of the total liabilities of the said company.

"That a proposition was made and assented to by some of the shareholders that promissory notes should be given for the remaining £50 per share, payable at 12 months' date, and that arrangements should be made with the Oriental Bank for a transfer of the Indian assets and liabilities of the said company, guaranteed by the personal security of shareholders, to be approved by the said Oriental Bank.

"That your petitioners are duly registered shareholders in the said company and contributors thereof, and upon the discovery of this conduct upon the part of the directors, ceased to have any confidence in them or their management, and declined to give any such promissory notes, although your petitioners have heard that some of the shareholders so did.

"That in consequence of such refusal on the part of the dissentient shareholders to give such promissory notes, the directors, although the said company had virtually ceased to exist, and assuming to act under the power of the said deed of settlement, made a call in the month of April, 1857, of £15 per share, and on the 10th of April issued and sent to your petitioners the following circular letter announcing such call:—

" 'London, April 9, 1857.

" 'Sir,—I hereby give you notice that the directors of the London and Eastern Banking Corporation have made a call of £15 on the shares of £100 into which the capital of the company is divided, and that such call has been made payable on the 24th day of April inst., at the office of the Oriental Banking Corporation, Threadneedle-street, in the city of London; and I hereby give you notice that if the amount of the said call on the two shares held by you is not paid at the time and place aforesaid, interest at the rate of 5 per cent. per annum will be charged thereon from the day aforesaid until payment.

" 'I am, Sir, your obedient servant,

" 'CHARLES J. E. STEWART, Interim Manager.

" 'To Abel Stuart, Esq., M.D.

" 'N.B. The directors intimate, for the convenience of the shareholders, that further calls will be made at the periods provided by the deed of settlement to realise the capital of the company.'

"That your petitioners, for the reasons aforesaid, declined to pay such



call, or make any payment of money to be administered by the said directors.

"That the directors proceeded in the month of July, 1857, to make another call of £15 per share, and on the 16th of July, 1857, your petitioners received the following circular letter, announcing such call :—

" ' London, July 16, 1857.

" ' Sir,—I hereby give you notice that the directors of the London and Eastern Banking Corporation have made a call of £15 on the shares of £100, into which the capital of this company is divided, and that such call has been made payable on the 1st day of August next, at the office of the Oriental Bank Corporation, Threadneedle-street, in the city of London ; and I hereby give you notice that if the amount of the said call on the two shares held by you is not paid at the time and place aforesaid, interest at the rate of 5 per cent. per annum will be charged thereon from the day aforesaid until payment.

" ' I am, Sir, your obedient servant,

" ' CHARLES J. F. STEWART, Interim Manager,

" ' To Abel Stuart, Esq., M.D.

" ' N.B. The directors, intimate, for the convenience of the shareholders, that further calls will be made at the periods provided by the deed of settlement to realise the capital of the company.'

"That your petitioners still declining to make any payment to the said directors, your petitioner, Abel Stuart, received, on or about the 8th day of August, 1857, the following letter from Messrs. Oliverson, Lavie, and Peachey, the solicitors of the said corporation :—

" ' Sir,—We beg to refer you to a letter we addressed you under date of the 13th of May last, on behalf of the London and Eastern Banking Corporation, as one of the few shareholders who had not yet given their promissory notes. That notice not having been attended to, we beg to inform you that the corporation have instructed us to take the necessary proceedings to enforce the payment of the calls in arrear against the parties who have not given their promissory notes. We beg to hear from you before Wednesday next, whether or not the promissory note will be given by you. You have already had the form, or, if not, it will be supplied to you without delay.

" ' We are, sir, your obedient servants,

" ' OLIVERSON, LAVIE, AND PEACHEY.

" ' Dr. Abel Stuart, M.D.'

" ' Frederick's-place, E.C., Aug. 7.'

"That your petitioners believe it is the intention of the said directors to proceed to enforce payment of the said calls against them, and to make and enforce other calls.

"That your petitioners, even if willing to make such payments, have no means of obtaining a release from liability except by the dissolution of the said company, and the final winding-up of its affairs by and under the direction of this Honourable Court.

"That your petitioners believe that the directors in the conduct of the affairs of the said company, have committed great irregularities, and that if the accounts of the company were properly taken by this Honourable Court great benefit would result to the shareholders.

"That your petitioners are advised and believe that the assets of the said company can only be fairly and properly realised, the accounts of the company taken, and proper contributions obtained from the shareholders under



the provisions of the Joint-Stock Companies Winding-up Acts, 1848 and 1849.

"That under the circumstances aforesaid the directors are not proper parties to have any control over or interference in the taking the accounts and winding-up the affairs of the said company, and ought not to be at liberty to put in force any of the powers or authorities of the said deed of settlement or charter.

"That your petitioners believe that the said company has not been formally dissolved under the provisions of the said deed of settlement and charter.

"That various questions will arise in the winding-up the affairs of the said company, which can only be settled under the provisions of the said Joint-Stock Companies Winding-up Acts, and that it will be for the interest of the shareholders that the same should be so wound up.

"Your petitioners therefore humbly pray your Lordship that an order absolute may be made for the dissolution of the said London and Eastern Banking Corporation, and that the affairs thereof may be wound-up under the provisions of the Joint-Stock Companies Winding-up Acts, 1848 and 1849, and that proper directions may be given for that purpose, or that your Lordship will be pleased to make such further or other order as the circumstances of the case may require, and to your Lordship may seem meet.

"And your petitioners will ever pray, &c."

"In the matter of the Joint-Stock Companies Winding-up Acts, 1848 and 1849, and of the London and Eastern Banking Corporation,—

"We, Abel Stuart and George Duplex, the petitioners in the above-written petition, severally make oath and say, that so much of the above-written petition as relates to our and each of our own acts and deeds is true, and so much thereof as relates to the acts and deeds of any other person we and each of us believe to be true."

#### THE ESTATE OF MESSRS. THOMAS ASHMORE AND SONS.

A meeting of the creditors of Messrs. Thomas Ashmore and Sons, engaged in the drysaltery trade, who recently failed, was held on the 25th August, when the following statement was presented by Mr. H. Chatteris, the accountant. The operations of the firm were less extensive than supposed, but the amount of dividend is not likely to be unsatisfactory:—

##### THOMAS ASHMORE AND SONS' STATEMENT OF AFFAIRS, AUGUST 7, 1857.

*Dr.*

To creditors unsecured	...	...	...	£7,835	7	7
To creditors holding security...	...	£26,719	6	10		
To value of securities in their hands	...	32,550	18	6		
		<hr/>				
Surplus carried to contra	...	5,831	11	8		
		<hr/>				
To liability on dishonoured bills	...	15,858	18	1		
To less dividends from other estates	...	7,869	2	2		
		<hr/>				
					2,989	15 11
To liability on bills which it is supposed						
will be duly honoured	...	12,628	14	8		
		<hr/>				
					£10,825	3 6
		<hr/>				



<i>Cr.</i>						
By merchandise on hand	...	...	...	...	...	£235 7 11
By surplus property in the hands of creditors in excess of claims	...	...	...	...	...	5,831 11 8
By debtors	...	...	...	...	...	1,026 15 8
By cash	...	...	...	...	...	5 10 10
By office furniture	...	...	...	...	...	90 0 0
						<hr/> £7,189 6 1
Less to be paid in full	...	...	...	...	...	66 2 9
						<hr/> <hr/> £7,123 3 4

It was explained that the accounts show a nominal dividend of about 13s. 4d., but that the amount which may be expected is 10s. in the pound. This difference will arise from losses on consignments, consisting of acids and argols, to America, where the operation of a new tariff has unfavourably influenced the value of these articles. The books of the firm, it is stated, have been well kept, and everything connected with their affairs has been conducted in an honest and straightforward manner. The house previously failed in 1846, when a composition of 12s. in the pound was accepted, and subsequently business was resumed with every appearance of success. In 1851 their accounts showed a surplus of £5,000, but it gradually decreased through bad debts and other unfavourable contingencies. At the commencement of the present year the annual statement prepared by the partners exhibited a small balance in their favour, but it could not be considered accurate, as they had not allowed for bills upon which there were claims against them in association with other houses whose estates were winding up. The creditors present having received these explanations as fully accounting for the position of the firm, a resolution was immediately passed in favour of an assignment, the trustees appointed being Mr. Crooket and Mr. H. Chatteris.

#### THE ESTATE OF MESSRS. MELROSE AND HUSSEY.

A meeting of the creditors of Messrs. Melrose and Hussey, ironfounders, whose failure was announced on the 6th, was held on the 26th August, when the following statement was submitted by Messrs. Thomas and Cates, the accountants:—

Statement of Affairs of Messrs. Melrose and Hussey, Phoenix Works, Tivdale, near Dudley.

<i>Dr.</i>						
To creditors unsecured	...	...	...	...	...	£11,904 3 2
Creditors partially secured	...	...	...	£41,612	19 10	
Less value of security	...	...	...	22,808	5 10	
						<hr/> 18,804 14 0
To liabilities on bills receivable, considered good	...	...	...	...	...	7,361 14 8
						<hr/> <hr/> £30,708 17 2



<i>Cr.</i>					
By debtors, considered good	...	...	...	...	£2,593 10 6
Doubtful	...	...	...	£408 2 4	
By stock, plant, &c., realized under execution, say	...	...	...	12,006 0 0	
					<u>£2,593 10 6</u>

It appearing that the stock and plant have been seized by one of the principal creditors under execution, no compromise could be entertained, and it was resolved to wind-up the estate in the Court of Bankruptcy. In the event of the above assets being all realized for the benefit of the creditors generally, a moderate dividend may be anticipated.

### THE ESTATE OF MESSRS. BRUFORD, DYER AND Co., BRISTOL.

A meeting of the creditors of this firm was held on the 31st of August, at the banking-house of Messrs. Baillie, Baillie, and Co., Mr. A. B. Savile, of the firm of Miles and Co., bankers, in the chair. Mr. Thomas, of the firm of Barnard, Thomas, and Co., accountants, reported the result of his investigation, which showed as follows:—

#### Total Liabilities.

<i>Dr.</i>	Secured and Unsecured,		Unsecured.
On acceptances and promissory notes	£118,390	9 4	£118,390 9 0
Open account...	19,637	17 0	19,637 17 4
Acceptances, receivable, considered doubtful and bad ...	14,119	15 0	14,119 15 0
Creditors holding security ...	18,425	0 0	" "
Bills under discount ...	87,299	11 7	20,000 0 0
	<u>£257,872</u>	<u>12 11</u>	<u>£172,148 1 4</u>

<i>Cr.</i>	Total assets,		Available Assets.
Available assets ...	£89,845	0 0	£89,845 0 0
Property held in mortgage ...	18,425	0 0	" "
	<u>£108,270</u>	<u>0 0</u>	<u>£89,845 0 0</u>
Bad debts and losses ascertained ...	...	...	£57,717 6 5
Estimated loss on bills ...	...	...	20,000 0 0
			<u>£77,717 6 5</u>

Mr. J. G. Shaw thereupon moved, and Mr. T. P. Jose, master of the Society of Merchant Venturers, seconded the resolution, requiring the members of the firm forthwith to execute a deed of conveyance and assignment of all their respective joint and several real and personal estate and effects to Messrs. H. H. Hareford (of Miles and Co.), G. O. Edwards, (of Baillie and Co.), John Bates (of the West of England and South Wales District Bank-



ing Company), W. G. Coles (of Stuckey's Banking Company), John George Shaw, Thomas Chope, and John Wood, merchants, Messrs. Henry Brittan and Son, and Savery, Clark, and Fussell, were appointed solicitors, and Messrs. Barnard, Thomas, and Co., accountants to the estate. The resolution was signed by or for nearly 50 creditors, who are interested to the extent of upwards of £220,000. It is expected that with the amount to be contributed by Mr. Beeston, one of the members of the firm, the dividend will be at least 13s. 4d. in the pound.

### THE ROYAL BRITISH BANK.

THE accounts of the Royal British Bank, as furnished by the directors, have been filed in the Court of Bankruptcy, but the examination of the several parties which was fixed for the 23rd September, has been adjourned for two months. The first statement is that of the old directors; the second, that of the Honourable Mr. Stapleton, M.P.; and the third, that of Messrs. Gillot, Hurst and Butt, who joined the bank just previous to its failure.

*Court of Bankruptcy, Basinghall-street, September 23rd.—(Before Mr. Commissioner HOLROYD.)*

#### RE THE ROYAL BRITISH BANK.

This was the adjourned sitting for the last examination of the directors, and the court was crowded with creditors and others interested in the case.

Mr. Linklater appeared as solicitor for the assignees; Mr. Sleigh, as counsel for Mr. Alderman Kennedy; and Mr. F. Valiant and Mr. Freshfield for the Hon. John Stapleton, M.P.; Mr. Venning for Mr. Esdaile; Mr. Mason and other gentlemen for the other directors; Mr. Lawrence attended for shareholders, and Mr. Sturgeon for a creditor.

Mr. Linklater said,—This sitting was appointed for the last examination of the directors of the Royal British Bank, who were called upon to prepare the balance-sheets and accounts of the bank. There are three balance-sheets filed. One by Mr. Esdaile, Mr. Alderman Kennedy, Mr. McLeod, and Mr. Valiant; a separate balance-sheet by Mr. Stapleton, the object of which I do not know; and another balance-sheet by the three directors, Messrs. Gillott, Butt, and Hurst, who came into office on the 5th of August, 1856. The order of the Court made on the 24th of June last, was that the balance-sheet should be filed by the 1st of September, in order that the assignees might have an opportunity of preparing themselves either to allow the last examination to pass without further adjournment, or to explain any objections which they had. The two balance-sheets of the five directors were filed on the 12th of this month, and the balance-sheet of the three directors was filed this morning or late last evening. It is, therefore, manifestly impossible that the last examination can pass to-day. The accounts are very voluminous, and the assignees request that this sitting may be adjourned for two months, in order that the official assignee and his staff may unravel the accounts. The assignees do not think it needful to call in any professional assistance. Your Honour's order has not been strictly complied with. That order required that certain rests should be made in the accounts at the periods at which the several directors came into office. At the present moment I am not prepared to say that that will be



essential. As far as the creditors are concerned the balance-sheets now filed may be sufficient. The question with them is the amount of property and the liabilities.

Mr. Sleight said that on behalf of his clients, he did not object to the adjournment, which was perfectly reasonable.

Mr. Freshfield said, from what had fallen from Mr. Linklater, he certainly had no objection, but assented very willingly to the adjournment, agreeing with Mr. Linklater that the interests of the creditors alone were to be considered.

Mr. Mason said he had no objection to the adjournment. There had been every desire on the part of his clients to give assistance, but it unfortunately happened that they had been obliged to fly the country in consequence of proceedings taken by individual creditors, and had had no opportunity of seeing the books or communicating with their accountant, Mr. Cooper. They had happily lately, by reason of the recent act of Parliament, been able to communicate with Mr. Cooper, and had tried to get the balance-sheet upon the file sooner.

The Commissioner then directed an adjournment to Thursday, the 26th of November next.

Mr. Linklater then said,—It was originally proposed that a dividend sitting should be appointed for this day. When here on the 24th of June last, the assignees thought they might make almost a final dividend by this time; we were then in expectation of the termination of proceedings which were taken against gentlemen (whose names I need not mention) for the sum of £16,000. They, however, declined to try the question between the assignees and themselves at law, and applied to the Court of Chancery to stay the action. That was on the eve of the long vacation, and upon the defendants giving what was equivalent to judgment in the action, and undertaking to bring into Court £16,000, the action was stayed. That money has been paid into the Court of Chancery, and will unfortunately be locked up till the month of November. The question lies in a very narrow compass, and by the end of November it will no doubt be terminated in favour of the assignees. Some delay was also caused with reference to one of Mr. Humphrey Brown's ships, the freight of which we expected to realise on her arrival. She was, however, attached at Hamburg by creditors whose debts Mr. H. Brown ought himself to have paid. Proceedings were taken in the Hamburg courts, and within the last few days the Court of Appeal has decided in favour of the assignees. Another case of delay has been the inability of the assignees to dispose of their property at the Welsh mines, although they have made every effort to do so. An item of £125,000 appears upon the balance sheet for expenditure upon those mines, and interest upon the outlay. The assignees now propose themselves to visit the mines, to see what, if anything, can be done with the landlord; and if any of the creditors can make any suggestion to the assignees that will enable them to dispose of the property, the assignees will gladly attend to it. But for these delays we should have been in a position to declare almost a final dividend. It has been said that the assignees should give information to the creditors from time to time respecting the realization of the estate. It should be borne in mind, however, that assignees have no opportunity of conveying information to the public or the creditors except upon occasions like the present, when by the kind indulgence of the Court they will avail themselves of the opportunity of communicating intelligence respecting the estate. Much has been said relative to the Act of Parliament to which Mr. Mason has referred. The assignees and all interested in the case felt that if some legislative



enactment could be obtained giving the assignees as the representatives of the creditors, power to discharge individual shareholders upon payment of a reasonable amount, or to discharge the whole body of shareholders by some general compromise which should have the assent of an overwhelming majority of creditors, it would be of great advantage to the creditors. The assignees, therefore, took very great pains for the purpose, and succeeded in obtaining a measure which received the royal assent on the 25th of last month. The rights of individual creditors are interfered with by that Act only for the general good, and instead of the shareholders being at the mercy of individual creditors, an opportunity is now afforded them of aiding in a general compromise which will satisfy the creditors generally. Failing in that, the assignees have the power to compromise with any shareholder, but in doing so they would have regard to his means. Now, sir, the creditors generally are not injured by this Act of Parliament. Each has a perfect right to go on against any shareholder, first applying to the Court for leave to proceed, and unless that shareholder gives security to the satisfaction of the Court, and also to the satisfaction of the assignees, as the representatives of the creditors, to such an amount as may in that particular case be required for contribution towards payment of all the debts, the creditors' hands will no longer be tied at all. Very great efforts are being made for the purpose of carrying out the general compromise. A meeting of the creditors was held at the Freemasons' Tavern which was very numerously attended) on the 4th of March last. A very large majority of the creditors assented to terms which were then suggested. The assignees required payment in the whole of 16s. 6d. in the pound. There will we trust be 10s. in the pound under the bankruptcy, and a further contribution from the shareholders of 6s. 6d. in the pound. Shortly after that meeting the dissolution of Parliament took place, and it did not assemble till May. Not one word of objection was raised in either House by any creditor of the Royal British Bank, or any one in connection with it, to the passing of the Act of Parliament. It did unfortunately happen that the Tipperary Bank case had excited some opposition on a former occasion, and the bill was delayed until the termination of an appeal in that case then pending in the House of Lords. The bill did not receive the Royal assent before the 25th of August. A meeting of many of the solicitors interested for influential shareholders had been previously called. I attended that meeting as representing the assignees, as did also the official manager, who is assisting to carry out this compromise. A circular was issued, announcing to the shareholders abroad that the bill was expected shortly to become law, and inviting them to return to this country for the purpose of contributing to the common fund. Many have since returned, and there can be no question that their safety depends upon their willingness to contribute so as to put a stop to further proceedings. The solicitors who represent the shareholders are exerting themselves, and are most anxious to bring about that result. Should a general compromise not take place, the opportunity will be afforded to the assignees (which undoubtedly they will exercise) of compromising with individual shareholders, and the others will be liable to the attacks of creditors. I have felt it due to the assignees to make these observations, because some misconception has arisen as to the course the assignees have pursued. The assignees, who are themselves large creditors, can have but one interest in common with those who have appointed them. They have desired to get what they can from the shareholders, and the question is, which is the best course to adopt? There has been subscribed a fund of £10,000 by the shareholders as a guarantee fund. That fund will be forfeited to the creditors if the compromise should



not be carried out, and unless within the next month that object shall be effected, the assignees will give no further time, but will proceed to deal with individual shareholders, leaving those who will not contribute exposed to the proceedings of creditors. It will be rather out of place to make any observations with reference to the prosecutions; but one word on that subject, in consequence of the misconception that appears to have arisen. It seems to have been supposed that the *ex officio* information filed by the Attorney-General embraced almost all those matters of complaint to which your Honour's judgment referred. That, however, is not so. At present there has been no information with reference to the circumstances under which the original charter was obtained, nor to the misrepresentations to the Board of Trade for the purpose of obtaining the supplemental charter. The question raised is that in which the public are more materially interested—viz., whether or not the directors did conspire to defraud the shareholders and creditors and the public by false accounts and representations known to be untrue? That is the simple question which will have to be tried in the month of December, if the labour necessary in getting up the cases can be got through by that time.

Mr. Gillott, one of the directors, said—I think it is those eight directors who signed the certificates to the Board of Trade who ought to be punished. They represented that they had got £100,000 capital paid up, and I and many round me feel that if the charter had not been falsely obtained, this bank would never have existed.

Mr. Lawrence said—The right of individual creditors to proceed for the recovery of their debts must be somewhat controlled by the statute, and each application against a shareholder would depend on its own peculiar circumstances. No such bill could have been passed but for the aid of the assignees, and great benefit is likely to result from it, while at the same time a great scandal will have been removed from the profession to which my friend and I belong. Proceedings have been taken which have resulted in ruin to many shareholders, and the solvent shareholders have been compelled to leave the country. A general compromise, to be sanctioned by the assignees and by the court, would be most advantageous as well for the shareholders as the creditors, and, if carried out, the 16s. 6d. in the pound would be paid; but there can be no question that the proceedings by individual creditors have very seriously prejudiced that compromise. No time should be lost on the part of shareholders in determining at once whether that compromise should be carried out. In justice to the assignees, in justice to the creditors and those shareholders who are willing to contribute to the extent of their means, I am bound to state that, whatever may be the result either of compromise or the application for individual discharge of the shareholder, that our best thanks are due to the assignees for the pains they have taken. It was obvious, in the very first instance, that, in a remedial measure of this kind, no effort on the part of the shareholders could be successful unless supported by the assignees. The bill was framed and carried with the joint assistance of my friends, Mr. Linklater and Mr. Field, who undertook the management of the details elsewhere, and the result is to place the shareholders in a position of temporary and comparative safety; but it would be a most ungrateful return if the shareholders do not take advantage of the opportunity afforded them, and contribute for the general compromise. Many I represent, who have returned in consequence of this act having passed, will use their best exertions to carry it out. The amount is very large, £170,000, but I do believe that if shareholders knew the vital importance to themselves in carrying out this compromise the amount might be subscribed. My friend has alluded to the conduct of the



assignees. I can only say that they have well and zealously discharged their duties. The proceedings which have been referred to have been taken independently of this court.

Mr. Linklater—With reference to the liability of the new shareholders, I may observe that before the assignees proceeded with the examination of the directors, or made public the circumstances connected with the failure of the Royal British Bank, they had the consent of almost all the new shareholders, abandoning any claim against the estate. The question of the liability of the new shareholders to the creditors has been solemnly decided by the Courts of Queen's Bench, Exchequer, and Common Pleas, and there can be no question that they are liable to the creditors of the bank, although, as between themselves and the old subscribers, they may not be liable to contribute on the ground of fraud; even that question is appealed in the Court of Chancery.

The Commissioner—I am in great hopes that that Act of Parliament will be found a beneficial measure, and that a general compromise may be effected, so as to finally wind up the affairs of this most unfortunate bank.

Annexed is a summary of the balance-sheet filed in the Court of Bankruptcy, by the directors of the Royal British Bank, and on which they propose to pass their last examination. The balance-sheet and accounts, in *extenso*, occupy more than 400 pages.

THE BALANCE-SHEET OF THE ROYAL BRITISH BANK, of the South Sea House, Threadneedle-street, in the City of London; No. 429, Strand; No. 311, High Holborn; No. 97, Goswell-road, Islington; No. 32, Regent Circus, Piccadilly; No. 1, Shaftesbury-terrace, Pimlico; No. 77, Bridge-road, Lambeth; and No. 60, Blackman-street, Borough, from November 19, 1849, to October 9, 1856.

<i>Dr.</i>									
To creditors ...	...	...	...	...	...	...	£565,249	2	7
Bank's acceptances for customers' account, £2,132									
13s. 8d., which will be paid by those for whose									
account they have been accepted ...	...	...	...	...	...	...			
Capital paid up ...	...	...	...	...	...	...	158,735	0	0
Profits ...	...	...	...	...	...	...	123,893	17	6
							<u>£847,878</u>	<u>0</u>	<u>1</u>
<i>Cr.</i>									
By cash balances ...	...	...	...	...	...	...	£7,120	16	8
Debtors, good ...	...	...	...	...	...	...	1,242	11	10
Ditto, doubtful ...	...	...	...	...	...	...	215,200	2	5
Bills discounted ...	...	...	...	...	...	...	80,850	11	7
Ditto, doubtful ...	...	...	...	...	...	...	19,019	5	10
R. P. Harding, amount standing to his debit at this									
date, being assets paid over to, or collected by, him									
as official manager ...	...	...	...	...	...	...	69,768	0	1
Bank houses and furniture cost ...	...	...	...	...	...	...	£34,752	17	1
Estimated realisation under bank-									
ruptcy ...	...	...	...	...	...	...	19,400	0	0
To losses below ...	...	...	...	...	...	...	<u>£15,352</u>	<u>17</u>	<u>1</u>
								<u>19,400</u>	<u>0</u>
Carried forward ...	...	...	...	...	...	...	£523,781	8	5



	Brought forward	...	...	...	£523,781	8	5
By stamps	...	...	...	...	329	4	10
Welsh works cost	...	...	...	...	105,783	3	1
					£629,893	16	4
Adjusting interest account	...	...	...	...	22,358	10	6
Dividends paid	...	...	...	...	23,524	13	0
Business expenses	...	...	£86,884	3	4		
Preliminary expenses	...	...	15,793	11	11		
					102,677	16	3
Losses, bad debts, &c.	...	...	...	...	54,072	7	11
Bank-houses and furniture as above	...	...	...	...	15,352	17	1
					£847,878	0	1

Subjoined is a summary of the balance-sheet filed by the Hon. Mr. Stapleton, M.P., in the Court of Bankruptcy, and on which he proposes to pass his last examination. It will be noticed that he frames his accounts in a very different manner from those prepared by his colleagues, his anxiety evidently being to avoid, if possible, the responsibility of the earlier glaring acts of mismanagement:—

STATEMENT of the AFFAIRS of the ROYAL BRITISH BANK, prepared by John Stapleton (who became a director of the bank on the 31st day of July, 1855), from the books and documents of the bank, and the best information he has been able to obtain of the affairs of the bank at and from the 30th of June, 1855 (the date when the last half-yearly account prior to his joining the bank was rendered to the shareholders), to the 9th of October, 1856, the date of the petition for adjudication.

To creditors ... ..	£565,249	2	7
Bank's acceptance for customers, £2,132 13s. 8d., which will be paid by those for whose account they have been accepted.			
	£565,249	2	7
Paid-up capital to June 30, 1855...	£130,729	10	0
Ditto subsequent to June 30, 1855, on account of shares previously authorised to be issued, and to which I contributed ... ..	28,005	10	0
			158,735 0 0
Profits to June 30, 1855 ... ..	101,141	3	6
Ditto since ... ..	22,752	14	0
			123,893 17 6
			£847,878 0 1
By cash balances ... ..	£7,120	16	8
Debtors good (nearly the whole of which has, I believe, been received) ... ..			112,422 11 10
Debtors on 30th June, 1855, now ascertained to be doubtful ... ..	£165,575	13	8
Ditto, for renewal of bills, interest, commission, &c., charged subse-			
Carried forward ... ..	£165,575	13	8
	£119,543	8	6



Brought forward ...	£165,575 13 8	£119,543 8 6
Subsequent to June 30, 1855, also now ascertained to be doubtful ...	17,831 18 5	
Ditto, being parties who had accounts and dealings with the bank prior to June 30, 1855, whose dealings continued, and whose debts are now ascertained to be doubtful ...	30,323 6 11	
Ditto, introduced to the bank subsequent to June 30, 1855, whose debts are doubtful ...	1,469 3 5	
		215,200 2 5
Bills discounted (good) ...	...	80,850 11 7
Ditto prior to June 30, 1855, and now ascertained to be doubtful ...	£13,153 19 10	
Ditto, being renewals, &c., of bills received by the bank prior to June 30, 1855, and interest, commission, &c., charged subsequent to June 30, 1855, and now doubtful ...	5,047 10 0	
Bills on account of parties who had accounts and dealings with the bank prior to 30th June, 1855, now ascertained to be doubtful ...	817 16 0	
		19,019 5 10
R. P. Harding, amount standing to his debit at this date, being assets paid over to or collected by him as official manager ...	...	69,768 0 1
Bank house and furniture cost ...	£34,752 17 1	
Supposed realisation under bankruptcy ...	19,400 0 0	
	£15,352 17 1	
To losses below ...	...	329 4 10
Stamps ...	...	
Welsh works*, cost to 30th June, 1855 ...	£84,854 18 3	
Ditto, since ...	20,928 4 10	
		105,783 3 1
By dividends paid up to 30th June, 1855 ...	£16,250 0 0	
Ditto paid since ...	7,274 13 0	
		23,524 13 0
Adjusting interest account ...	...	22,356 10 6
Business expenses to 30th June, 1855 ...	£66,188 5 5	
Ditto ditto since ...	20,695 17 11	
		86,884 3 4
Preliminary expenses ...	...	15,793 11 11
Carried forward ...	...	£759,052 15 1

\* These works are now offered for sale, and are in course of realisation by the assignees.



Brought forward ... ..	£759,052	15	2
Debts, &c., existing on the 30th June, 1855, and now considered to be bad ... ..	£38,607	13	10
Debts, for renewals of bills, interest, commission, &c., charged subsequent to 30th June, 1855, and also now ascertained to be bad ...	1,534	2	5
Debts being of parties who had accounts and dealings with the bank prior to 30th June, 1855, whose dealings continued, and whose debts are now ascertained to be bad ... ..	5,350	0	8
			<hr/>
			43,491 16 11
Ditto on business introduced to the bank subsequent to June 30, 1855 ... ..	295	9	11
Suspense account, being on account of transactions prior to June 30, 1855 ... ..	£1,194	5	7
Ditto, since ... ..	1,439	8	11
			<hr/>
			2,633 14 6
Loss on Consols sold in September, 1856 ... ..	3,755	9	7
Ditto, by the branches; gold and notes lost, &c., to June 30, 1856 ... ..	£1,912	16	9
Ditto, since... ..	998	0	3
			<hr/>
			2,910 17 0
Ditto, by bank houses and fixtures, as above... ..	15,352	17	1
A sum paid for shares of the Rev. M. Gossett, and in dispute whether it was paid for and on account of Mr. Sydney Kennedy (I did not concur in the purchase of these shares, and protested against it) ...	985	0	0
			<hr/>
	£847,878	0	1
			<hr/>

Subjoined is a summary of the balance-sheet filed in the Court of Bankruptcy by Mr. G. Gillott, Mr. R. Hurst, and Mr. I. Butt, three of the directors who accepted office just previous to the suspension of the bank, and on which they, independently of the other directors, propose to pass. It will be noticed that it clearly elucidates the losses, including the Welsh works, the bad and doubtful debts, &c.

THE BALANCE-SHEET OF THE ROYAL BRITISH BANK,

As prepared by George Gillott, Richard Hurst, and Isaiah Butt, three of the directors, from the date of the last half-yearly account preceding their appointment, on the 5th August, up to the date of the adjudication of bankruptcy.

The account commences June 30, 1856, and ends October 9, 1856.

<i>Dr.</i>			
To creditors unsecured ... ..	£576,836	9	1
Creditors partly covered, see contra ... ..	£4,866	17	11
Creditors to be paid in full, see contra ... ..	766	0	5
			<hr/>
Carried forward... ..	£576,836	9	1



Brought forward ... ..	£576,836	9	1
Liabilities on bank acceptances for customers, and on bills re-discounted, which should be paid by the acceptors ... ..	63,295	8	9
Gross profit, from 30th June to 3rd September, 1856,	8,404	6	6
Capital paid up, prior to 30th June, 1856 ... ..	158,735	0	0
	<u>£807,271</u>	<u>4</u>	<u>4</u>

*Cr.*

By cash in hand, Oct. 9, 1856 ... ..	£7,120	18	8
Cash and bills with official manager ... ..	69,768	0	1
Bills receivable on hand, good ... ..	65,544	10	3
Debtors, good ... ..	137,750	1	11
Debtors doubtful, contracted June 30, and August 5 ... ..	£3,461	10	1
Between August 5 and Oct. 9 ... ..	2,110	14	9
Including £771 10s. for interest on accounts ... ..	5,572	4	10
Estimated at 4s. in £ ... ..	1,393	1	2
	<u>£4,179</u>	<u>3</u>	<u>8</u>
Losses ... ..	£228,755	6	6
Debtors, doubtful ... ..	3,240	10	6
Bills on hand, doubtful ... ..	£231,995	17	0
Less as above, due to June 30, 1856	5,572	4	10
	<u>£226,423</u>	<u>12</u>	<u>3</u>
Estimated at 4s. in £ ... ..	45,284	14	5
Carried to debit of capital account	181,138	17	9
Debtors bad, all prior to June 30, 1856, carried to debit of capital account ... ..	37,639	4	5
Cefn works, South Wales, amount of debts due by Dummer and Smith by whom the works were assigned to the bank ... ..	53,191	17	5
Outlay to 30th June, 1856 ... ..	50,083	18	2
	<u>103,275</u>	<u>15</u>	<u>7</u>
Estimated to realise ... ..	20,000	0	0
	<u>83,275</u>	<u>15</u>	<u>7</u>
Carried to debit of capital account ... ..	1,314	2	8
Outlay for rates, wages, &c., between 30th June and 5th August, 1856 ... ..	1,203	14	6
And between 5th August, and 9th October ... ..	<u>2,516</u>	<u>17</u>	<u>2</u>
Carried forward ... ..	£349,378	0	10



*The Royal British Bank.*

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Brought forward	...	...	...	£349,378	0	10
By property unencumbered,						
cost	...	...	35,582	1	11	
Estimated to realise	...	...	19,907	5	6	19,907 5 6
To losses	...	...	15,674	16	5	
Less creditors to be paid in full, per contra	...	...	...	...	...	766 0 5
						19,141 5 1
By bills of exchange held by creditors,						
fully secured	...	...	15,117	3	4	
Amount due to such creditors	...	...	4,866	17	11	
Surplus available for the estate	...	...	...	...	...	10,250 5 5
By trade and other expenses, viz.:						
Rent and taxes	...	...	1,083	0	2	
Salaries and wages...	...	...	3,163	4	9	
Interest and discount	...	...	8,461	19	11	
General charges	...	...	2,118	9	0	
Allowance to directors	...	...	...	...	...	
Law costs	...	...	314	2	0	
						15,140 15 10
Liabilities as per contra	...	...	...	...	...	63,295 8 9
By losses on realising bank premises	...	...	15,674	16	5	
Sale of stock	...	...	3,755	9	7	
Sundries	...	...	1,514	9	0	
						20,944 15 0
By ditto on doubtful debts, as above	...	...	...	...	...	4,179 3 6
Deficiency, June 30, 1856, viz.:						
Loss on Welch works	...	...	83,275	15	7	
Bad debts	...	...	37,639	4	5	
Doubtful debts	...	...	181,138	17	9	
Preliminary expenses	...	...	15,793	11	11	
Adjusting interest account	...	...	22,356	10	6	
						340,204 0 2
Less reserved fund, for apparent surplus, as shown in half-yearly report	...	...	15,262	11	3	
						324,941 8 11
						£807,271 4 4

Although we did not take office until the 5th of August, 1856, the foregoing account has been compiled from the 30th of June, being the date of the previous half-yearly report. The bank closed on the 3rd of September, but the account is carried down to the date of adjudication of bankruptcy on the 9th of October, 1856.



## Reports of Joint-Stock Banks.

### BANK OF ENGLAND MEETING.

THE usual half-yearly general court of proprietors of the Bank of England was held on the 17th of September, in the bank parlour; the governor (Mr. Sheffield Neave) in the chair.

The minutes of the two former courts having been read and confirmed.

The governor said—I have now to acquaint the court that this is one of the quarterly general courts, appointed by the charter, and also one of the half-yearly general courts appointed by the 12th bye-law, for making a dividend. The net profits of the half-year ending the 31st of August last, were £775,650, making the amount of the rest on that day £3,840,625 *ls. 3d.*, and after providing for a dividend at the rate of  $5\frac{1}{4}$  per cent. for the half-year, the rest will be £3,040,210 *ls. 3d.* The court of directors, therefore, propose that a half-year's dividend of interest and profits be made on the 10th of October, of £5 *10s.* per cent., without any deduction on account of income-tax.

Mr. Pilcher—Although there is an increase in the dividend, perhaps I may be allowed to ask how it is that it is still so small, as compared with the dividend declared by the banks in the neighbourhood? They (the “young ladies,” as I may call them) are declaring dividends of 15 or 20 per cent., but our establishment, the “old lady,” only divides 11. How is it that with larger profits than the other banks our dividend is yet less?

The Governor—The difference is easily explained. It is rather nominal than real, and is this:—The banks to which you allude have small capitals, and, therefore, the profit they make—although less than ours—enables them to divide upon their small capital the larger dividend. The Bank of England has £14,000,000 of capital, and although its profits may be larger than those of the younger banks, yet nominally they will not yield the same rate of interest as the profits of those banks.

Mr. Pilcher—Yes, sir; but how much of our capital do we keep unemployed?

The Governor—We have none unemployed beyond that which, as prudent bankers, we are bound to keep in hand.

Mr. Pilcher—Then it naturally follows that we do not employ our capital as well as the young banks, the “young ladies,” as I have called them, do theirs.

Mr. M. Clarke—We have earned £840,000, and are going to divide £800,000, of that. The division will take place upon fourteen millions of capital, which is equal to £1,600,000 upon half that capital. The working capital of our bank is only about three millions.

Mr. Pilcher—But why should we not employ more of our capital?

The Governor—We are naturally in our position obliged to keep a much larger reserve than private bankers.

The question that the dividend be declared payable on and after the 10th of October next was then put, and carried unanimously.

The Governor—I have now to inform the court that as the present rate of dividend exceeds that of the last half-year, it is necessary under the provisions of the Act of Parliament that the same should be confirmed by ballot in the customary manner; and I have now, therefore, to move that this court do stand adjourned till Wednesday, the 22nd instant, at four o'clock, then to take the determination of the proprietors by way of ballot upon the question of dividend.



The motion was agreed to.

Mr. M. Clarke—It only remains for us now to pass a vote of thanks to the court of directors. This half-year the dividend is 5½ per cent.; but if it had only been 4½, I think the thanks of the court would be equally due to them, because they have kept in view what is just towards the proprietors, and at the same time have not shut out the commercial interests. (Hear, hear.) To a certain extent they are the regulators of the monetary system of the country, and they are not always masters of their own proceedings; but the manner in which they govern the whole, exhibits so much discretion, prudence, and ability, that they deserve our best thanks. (Hear, hear.) I therefore think it is only due to them that they should receive an expression of our public approbation of their past conduct. (Hear.)

Mr. Alderman Salomons—I have great pleasure in seconding that motion. In all my experience of these courts this is the first time I have heard any one speak in the language of complaint about a large increase of dividend. (Hear, hear.) I suppose, however, that there is in our constitution something which gives rise to a feeling that the more we get the more we want. (Hear, and a laugh.) Perhaps, therefore, I may be allowed to hope, that consistently with what is due to the public, it may be in the power of the court of directors to give us an increased dividend. (Hear, hear.) Permit me to say, in seconding this motion, that we have every reason to be satisfied with their conduct, and with the manner in which they have managed the affairs of the bank. It is not too much for one to say who has read the evidence given by members of the court of directors before parliament, that there never was a period when the character of the governor and the court stood higher than it does now, or when greater effect was produced upon a parliamentary committee than was produced by that evidence, with reference not only to interests of the proprietors but to those of the public. (Hear, hear.)

The resolution was carried by acclamation.

The governor—Gentlemen, in the name of my colleagues I beg to return you our sincere thanks for the laudatory resolution which you have just passed. I can assure you that in the difficult and arduous duties which devolve upon those who have the management of this corporation, it is always to them a source of encouragement and support if they can receive the approbation of their proprietary. (Hear.) I may also add that it must be agreeable to all when those who have the conduct of the affairs a great national institution, and who are necessarily obliged—to whom it is a duty—to keep in view the public interest, can at the same time meet their proprietors, and ascertain from them that they are of opinion that we have not sacrificed their interests, but have rather attended to the general advantage of the proprietors at large. (Hear, hear.)

The court then adjourned.

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#### SHEFFIELD AND HALLAMSHIRE BANK.

The general annual meeting of the shareholders of this bank was held on the 17th July, Mr. F. R. Appleby presiding, when the following report was agreed to:—

The directors have much pleasure in stating that the profit of the past year is £18,341 0s. 7d. After payment of the dividends and expenses, and writing off all bad debts, there remains a balance of £2,020 10s. 5d., which has been carried to surplus fund. For the half-year, ending 31st



December last, the directors paid a dividend after the rate of 10 per cent. per annum. They have declared a dividend, after the same rate, for the half-year ending 30th June last. The shareholders will bear in mind that the latter dividend will be on the additional capital of £33,250. This dividend, without deduction of income-tax, may be received at the bank on or after Tuesday, the 21st July. All the calls on the shares issued on the 5th March, 1856, have been paid. In the directors' report of that year it was stated that those shareholders who had a fractional part of four shares would have one share allotted in respect of such fractional part, on payment of a very moderate premium. The amount realised from this source is £465. A sum of £218 8s. 3d. has been received from debts previously written off as bad. The two last-named amounts have been also added to the surplus fund, the total additions to which are this year £2,704 4s. 8d. That fund now stands at £33,937 10s. Wm. Cockayne, of Norton Lees, retires by rotation from the board. The directors nominate J. B. Brown, of Woodthorpe Hall, as incoming director. The directors have, as usual, audited the accounts of the bank with scrupulous care, and they assure the shareholders that these are in a healthy state. The securities held by the bank are not estimated at more than their market value. The establishment is in a state of high efficiency, and manifests the diligence and ability of the manager and other officers in their respective departments. The shareholders, no doubt, will be fully satisfied with this statement. It more than bears out the anticipations expressed by the directors in their previous reports.

*General Balance of the Sheffield and Hallamshire Bank, 30th June, 1857.*

LIABILITIES.			
Paid-up capital of £25 per share on 6,344	...	...	£158,600 0 0
Surplus fund...	...	...	33,937 10 0
Due by the bank on current accounts, deposit receipts, (including interest to this day), notes in circulation, and interest on bills in the bank	...	...	266,110 16 10
Dividend for the last half-year after the rate of 10 per cent. per annum, on paid-up capital of £158,600	...	...	7,930 0 0
			<u>£466,578 6 10</u>

ASSETS.			
Cash in the bank, bills discounted, balances owing by customers, and other securities	...	...	£461,578 6 10
Bank premises and furniture	...	...	5,000 0 0
			<u>£466,578 6 10</u>

*Dr. Profit and Loss, 30th June, 1857.*

To dividend for the half-year ending 31st December, 1856, at the rate of 10 per cent. per annum on £141,975	...	...	£7,098 15 0
Dividend for the half-year ending 30th June, 1857, at the same rate on £158,600	...	...	7,930 0 0
Losses	...	...	974 16 8
Bank premises and furniture	...	...	316 12 6
Balance carried down	...	...	33,937 10 0
			<u>£50,527 14 2</u>



Cr.

By balance of unappropriated profits, 30th June, 1856	£31,233	5	4
Debts previously written off as bad and since recovered ... ..	218	8	3
Premiums received on shares allotted 5th March, 1856	465	0	0
Amount of profits after payment of expenses and income tax .. .. .	18,841	0	7
	£50,257	14	2

Balance of unappropriated profits brought down, being surplus fund ... ..	33,937	10	0
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WM. WATERFALL, Manager.

It was unanimously resolved, that the report and statement of the general balance and profit and loss be approved; and that the thanks of this meeting be given to the directors for their valuable services, and that the sum of £500 be presented to them from the funds of the company.

A dividend, after the rate of £10 per cent. per annum on the paid-up capital, was declared payable.

### BANK OF BOMBAY.

At an annual general meeting of the proprietors of the Bank of Bombay, held under section 36, Act 3, of 1840, on Monday, the 3rd day of August, 1857, at eleven o'clock in the forenoon, there were present—Mr. E. E. Elliott, president, in the chair; Mr. A. K. Corfield, Mr. H. D. Cartwright, Mr. M. S. Campbell, Mr. Rustomjee Jamsetjee, Mr. Framjee Nusserwanjee, and Mr. S. D. Sassoon.

The secretary read the notice as published in the Government Gazette and newspapers calling the meeting, and also the section of the bank charter under which the meeting was held; he also submitted the following balance-sheet of the affairs of the bank made up to the 30th June last, which was afterwards laid on the table for the inspection of the proprietors:—

The following resolutions were then passed by the meeting:—

Proposed by Mr. Rustomjee Jamsetjee, seconded by Mr. Framjee Nusserwanjee, and carried—"That the accounts now submitted be passed as correct and satisfactory."

Proposed by Mr. H. D. Cartwright and seconded by Mr. M. S. Campbell—"That the thanks of the meeting be given to Mr. Elliott for his conduct in the chair."

The meeting was then dissolved.

*Statement of the affairs of the Bank of Bombay on the 30th June, 1857,*

Dr.	RS.	A.	P.
To current deposit accounts and receipts... ..	44,03,720	10	0
Notes in circulation ... ..	49,63,230	0	0
Bank post bills ... ..	4,667	1	4
Unclaimed dividends ... ..	19,502	8	0
Half notes outstanding... ..	2,165	0	0
Total amount due to the public ... ..	93,93,285	3	4
Proprietors for paid-up capital ... ..	52,25,000	0	0
Reserved fund ... ..	54,573	13	4

**Rupees 146,72,859 0 8**



Cr.	RS.	RS.	A.	P.
By investment in Government securities, viz. :—				
4 per cent. loan of 1835-6 at par ... ..	8,70,500			
4 per cent. loan of 1842-3 at par ... ..	25,50,000			
4 per cent. loan of 1854-5 at par ... ..	1,27,500			
		35,48,000	0	0
By cash credits on deposits of securities ... ..		11,98,132	6	7
Loans outstanding ... ..		36,70,160	10	8
Government bills discounted ... ..		11,24,838	12	9
Private bills discounted ... ..		16,00,572	14	0
Bank of Bengal ... ..		59,776	5	5
Bank of Madras ... ..		2,028	5	4
Adjusting account of interest ... ..		80,773	12	1
Past due bills ... ..		3,504	0	0
Total amount due to the bank ... ..		112,87,787	2	10
Bank premises ... ..		1,01,397	15	3
Bank furniture ... ..		15,500	0	0
Cash on hand ... ..		35,51,191	13	2
		Rupees 149,55,876	15	3

GRANVILLE SHARP, Head Accountant.

Compared with the books and found correct, 2nd July, 1857.

HENRY D. CARTWRIGHT.

### BANK OF EGYPT.

A SPECIAL general meeting of the shareholders of this bank was held on the 26th August, at the London Tavern, Mr. William Tite, M.P., in the chair,

The report and statements of accounts were taken as read.

"In accordance with the promise made at the general meeting, held in March, a special meeting of the shareholders is now convened for the purpose of declaring a dividend. The annexed statement of accounts, and profit and loss, as certified by the auditors, from the opening of the bank on the 7th July, 1856, to the 30th June, 1857, is now submitted, showing a net profit of £13,021 9s. 10d., after appropriating £1,140 17s. 9d. towards the payment of the preliminary expenses. The directors trust that this result will be considered satisfactory. It has been their endeavour to conduct the business with the greatest caution; they have allowed no prospect of increased profits to tempt them to depart from this principle; and they have to state that £876, the whole amount of bad debts, has been written off in full, although there is every reason to believe that at least one-half of that sum will be recovered. The gross earnings at Alexandria for the six months ending the 30th of June, 1857, show an increase of 80 per cent. in the business of the bank, as compared with the six months ending the 31st of December, 1856; and the directors are happy to be able to state the prospects for the future are equally encouraging. They now recommend that out of the net profits a dividend be declared of 6 per cent., free of



income tax, on the capital paid-up, amounting to £11,250, which leaves a balance of 1,771 9s. 10d. to be carried forward to the next account.

*Liabilities and Assets of the Bank of Egypt, June 30th, 1857.*

LIABILITIES.

Capital, viz., 10,000 shares at £25 (£250,000), upon which £18 15s. have been paid up, as follows:—

Deposit (£5 per share), 31st January,					
1856 ... ..	£50,000	0	0		
First call (£7 10s.) 31st May ...	75,000	0	0		
Second call (£8 5s.) 31st October ...	62,500	0	0		
Capital not called up, £62,500				£187,500	0 0
Bills payable, current and other accounts ...				224,437	11 1
Balance carried to profit and loss ...				13,021	9 10
				<u>£424,959</u>	<u>0 11</u>

ASSETS, &c.

Cash in hand ... ..	£17,087	19	10		
Bills receivable, advances and other securities ... ..	396,006	13	4		
Office furniture and fixtures ... ..	1,864	7	9		
Total assets ... ..				£414,952	0 11
Preliminary expenses ... ..				10,000	0 0
				<u>£424,959</u>	<u>0 11</u>

*Profit and Loss, June 30th, 1857.*

*Dr.*

To rents, salaries, bad debts, directors' remuneration, and charges, both in London and Alexandria, to date ...	£7,186	11	1		
Preliminary expenses written off ... ..	1,140	17	9		
Balance carried down ... ..	7,080	9	8		
				<u>£15,407</u>	<u>18 6</u>
To dividend, at the rate of 6 per cent, on the paid-up capital, payable 1st September ... ..	£11,250	0	0		
Balance carried to next account ... ..	1,771	9	10		
				<u>£13,021</u>	<u>9 10</u>

*Cr.*

By profit for the last six months ... ..	£18,545	9	0		
Less rebate of interest on bills discounted, not due ... ..	3,137	10	6		
				<u>£15,407</u>	<u>18 6</u>
				<u>£15,407</u>	<u>18 6</u>
To balance brought down ... ..	7,080	9	8		
Ditto of undivided profits, December 31st, 1856 ...	5,941	0	2		
				<u>£13,021</u>	<u>9 10</u>



The Chairman said he would now move the adoption of the report and accounts, which would include the declaration of the dividend of 6 per cent., free of income tax, on the paid-up capital. He begged to express his regret at finding himself the chairman of the company, in consequence of Colonel Oliphant having ceased to occupy that position. They had now been in business for a period of twelve months, and they had always been led to believe that a reasonably good business might be done in Egypt, because of the importance, and the growing importance, of that viceroyalty, and in that expectation they had not been disappointed. In many banking establishments there was too frequently exhibited an extraordinary tendency to enter into incautious transactions, from a desire to obtain an increase of business; but he was happy to say that, in reference to this company, they had sought only to carry out legitimate banking principles, rather than to enter into any speculative business, when they might, in the first instance only, perhaps, be successful. He hoped that the proprietors would feel with the board, that the less they speculated and the more carefully they kept to sound banking operations, by so much the more would they be strengthened in their prospects of ultimate and permanent success. There was, indeed, no reason whatever to doubt the considerable success of this bank, looking to the great improvement of Egypt, which improvement was proceeding at a rapid rate (hear). He had recently seen a gentleman who was a large landowner at Alexandria, who informed him that the railway from Suez to Alexandria would be opened in two months, and that the journey would then be accomplished in eight hours. All this must lead to most important results commercially in Egypt. The directors had always felt that their business must be mainly conducted at Alexandria; but they also thought it desirable to have a branch at Cairo. The produce was brought down, and was much more largely dealt with at Cairo than at Alexandria. The directors, however, had no wish to open an extensive establishment there, but they thought a manager and two clerks would suffice. They had not positively established the branch, but they were carrying on negotiations having that object in view, and in a short time he hoped the branch would be opened at Cairo. They would avoid making branches as a general principle, because he and his brother directors felt that in banking establishments, as in railways, the branches sapped the parent tree. (Hear.) Now their capital was hardly sufficient for their purposes, and the board thought it would be better to call up the remaining portion of the capital, and that they were bound to do so within a certain period. He thought that they were well served by Signor Pasquali, in Egypt, who had shown himself to be exceedingly prudent, and they had nothing to regret in the appointment of that gentleman. The hon. gentleman concluded by moving that the report and accounts now presented to the shareholders be received and adopted, and that a dividend on the paid-up capital, at the rate of 6 per cent., free of income tax, be declared; the same to be payable on and after 1st September.

Mr. Anstruther, the deputy chairman, seconded the motion.

Mr. Sebag begged to support the resolution. He had examined the books and accounts, and was perfectly satisfied. As to the smallness of the dividend, that was to be accounted for from the fact of their having but one establishment, and from their small capital. He thought the proprietors had every reason to congratulate themselves on the nature of the report, though they had the millstone about their necks of £10,000 for preliminary expenses. He was informed that the value of land in Egypt had increased fivefold in five years. He warmly supported the proposition for establishing a branch at Cairo.



Some conversation followed on items of accounts, and the report was adopted unanimously.

General Sandys moved a vote of thanks to the chairman and directors, which was seconded by Mr. Sebag, and carried with acclamation.

The chairman briefly responded to the compliment, and the meeting separated.

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### THE OTTOMAN BANK.

An extraordinary meeting of the proprietors of this bank was held on the 26th August, at the offices in Old Broad-street; Mr. A. H. Layard in the chair.

The following are the report and statements of accounts, which were taken as read:—

"The annual general meeting of the company is fixed, by the charter of incorporation, for the month of March in each year. The present, therefore, is an extraordinary meeting convened for the purpose of receiving a report upon the affairs of the bank up to the 30th June last, and of authorising the distribution, by way of interest, of a portion of the profits realised up to that date. The directors have much satisfaction in announcing the continued prosperity of the bank. The disorganised condition of finance generally in Turkey has rendered it inexpedient, in their opinion, to enter upon any extensive exchange operations during the last six months. A source in ordinary times of considerable profit has thus, from prudential considerations, remained temporarily unproductive; but circumstances have satisfied the directors of the propriety of the caution which they have exercised in this respect. On the other hand, the local business of the Asiatic branches has steadily increased, and continues to increase, and both the present returns and the future prospects are of a very satisfactory character. The accounts to the 30th of June show a net amount to the credit of profit and loss, after making provision for bad and doubtful debts, of £30,029 6s. 6d.. Out of this sum the directors recommend at present a distribution of 12s. per share, by way of interest (being at the rate of 8 per cent. per annum), leaving a balance of £15,029 6s. 6d. to be carried forward. They desire, at the same time, to intimate their intention of proposing, at the general meeting in March next, that a sum should be set apart out of the then existing balance at the credit of profit and loss, as a reserve fund; and that such sum should be augmented from time to time from the profits of the company (by an amount not exceeding 2 per cent. on the capital of the bank in any one year), until it reach the sum of £50,000. The directors do not doubt the cordial concurrence of the shareholders in a measure which has for its object to provide against unforeseen contingencies, as well as to form, as far as possible, a guarantee for the continuity of a steady dividend, leaving any profits in excess of the same to be dealt with at the end of each year by way of bonus. It is further their intention to propose, on the same occasion, that the preliminary expenses now standing at £8,000, shall be written off at the rate of £2,000 per annum. The shareholders have been already informed that the increasing business would render necessary the payment of the uncalled capital of the bank; the directors have accordingly issued notices for the payment of the remaining £5 per share on the 14th September next. The election of auditors would in regular course take place at the annual general meeting in March next, but the directors are prepared to accept such gentleman as may be selected for the office on the present occasion, to act with Mr. J. E. Coleman, who was ap-



pointed auditor under the deed of settlement. The auditors will go out of office in March next, when the shareholders will be enabled to re-appoint them, or select others. The directors have to intimate that they have nominated Mr. L. M. Rate, in the deed of settlement, to the vacant seat in the direction. They have also to announce that they have transferred Mr. O. C. La Fontaine, their comptroller at Smyrna, to the same office at Constantinople, in the room of Mr. Ede; and they have replaced Mr. O. C. La Fontaine, at Smyrna, by his brother, Mr. F. La Fontaine. It will be gratifying to the shareholders to observe the accompanying copy of an address which the directors have received from the mercantile community of Smyrna, expressive of the esteem in which both these gentlemen are held. The directors have to deplore the loss by death, since the last meeting, of a faithful, zealous, and valued officer in Mr. William Haldimand Prinsep, the late secretary. They have appointed by Mr. Edward Gilbertson to this office. The general manager, Mr. Falconnet, has again proceeded to the East, with a view to the development of the business of the bank. In conclusion, the directors have only to renew the expression of their confidence, in the position and prospects of the undertaking.

By order, EDWARD GILBERTSON, Secretary."

"Her Britannic Majesty's Consulate,  
Smyrna, July 13, 1857.

"GENTLEMEN,—You will see by the enclosed copy of a letter, addressed to me by several merchants established in this town, that I have been requested by them, not only to transmit to you the enclosed address, but at the same time to add my humble opinion in reference to the parties to whom it refers. Although but recently appointed to the consulate, my long residence in Turkey, and a personal acquaintance of nearly thirty-five years with both Mr. Charles and Mr. Frederick La Fontaine, enables my meeting the wishes of the merchants of Smyrna, not only by confirming their expressions in favour of both these gentlemen, but also in stating that I consider it fortunate for the Ottoman Bank that men of such known integrity and experience in this country should have been met with to undertake the direction of its affairs both at Smyrna and at Constantinople,

"I have the honour to be, gentlemen, your most obedient humble servant,

(Signed) "CHARLES BLUNT, Consul."

(Translation of the address referred to in the above.)

"Smyrna, July 2, 1857.

"MONSIEUR LE PRESIDENT,—A resolution of the court of directors having recalled to Constantinople Mr. Charles La Fontaine, who filled at Smyrna the office of comptroller of the Ottoman Bank, the undersigned, who have been in a position to appreciate the high qualities which so eminently distinguish Mr. Charles La Fontaine, have learned this decision with a feeling of profound regret. On the other hand, they take the liberty of expressing to you, Monsieur le President, the satisfaction they feel in seeing that Mr. Charles La Fontaine has been replaced in his post by his brother, Mr. F. La Fontaine, whose probity and capacity have been for many years known and esteemed by the whole commercial community of this city. This substitution proves to us, Monsieur le President, the lively interest which you are pleased to take in the commerce of Smyrna, and we beg to offer you, in consequence, the expression of our profound gratitude.

"Accept, Monsieur le President, &c."

(Here follow the signatures of 74 native and foreign merchants.)



*Liability and assets of the Ottoman Bank, June 30, 1857.*

LIABILITIES.

To capital called, viz.:—25,000 shares at £20 each, upon which £15 has been called, as per last statement ...	£375,000	0	0
Less outstanding second call ...	25	0	0
	£374,975	0	0
Received in anticipation of third call ...	250	0	0
	£375,225	18	5
To bills of exchange, and amounts due by the bank and its branches, on deposits and current accounts ...	450,437	0	0
To reserve for bad and doubtful debts ...	4,000	0	0
To profit and loss ...	30,029	6	6
	£859,692	4	11

ASSETS.

By cash on hand in London and at the branches ...	£88,321	16	7
Bills of exchange and promissory notes, ditto, ditto ...	335,411	2	11
Balances due to the bank in current accounts ...	124,916	8	6
Loans and securities ...	299,987	15	4
Leasehold premises, furniture, &c., in London and at the branches ...	5,055	1	7
Balance of preliminary expenses, as per last account ...	6,000	0	0
	£859,692	4	11

*Profit and Loss Account, June 30, 1857.*

*Dr.*

To general charges of the London establishment, including rent direction, salaries, office expenses, &c. ...	£4,742	6	2
Provision for bad and doubtful debts ...	4,000	0	0
Balance ...	30,029	6	6
	£38,771	12	8

*Cr.*

By amount brought forward from last account ...	£12,729	19	0
From which is to be deducted income-tax thereon, and general manager's percentage ...	1,873	19	6
	£10,855	19	6
Profits to this date ...	27,915	13	2
	£38,771	12	8

The chairman, in moving the adoption of the report and statements of accounts, recapitulated the various points referred to in the report. He called attention to the state of financial affairs in Constantinople, which



was not one to benefit banking operations, and prudence had suggested to the directors the propriety of abstaining from any extensive exchange operations during the last six months. From the exertions of the general manager, Mr. Falconnet, who had again proceeded to the East, he anticipated the most favourable results. In reference to the establishment of a national bank, affairs remained in the same position, but this company maintained its high character, and its prospects were as good as ever. This bank had gained the confidence of the Ottoman people. At Smyrna and elsewhere, men of the highest standing were *bona fide* customers. Their prospects were daily improving in Constantinople, and the bank was already getting a firm hold on the confidence of the Turkish people. The address from Smyrna, which was appended, was the best evidence of the character of the bank, of the estimation in which it was held, and of the importance which was attached to the appointment of Mr. F. La Fontaine in place of his brother. The directors proposed to pay to the shareholders on this occasion interest, not a dividend, at the rate of 8 per cent. per annum, which they thought a fair rate of interest to be dealt with by way of bonus. He trusted that the directors might calculate on the support of the shareholders to place this establishment on the best possible footing. The board had determined to deal with the preliminary expenses, and they proposed to write off £2,000 a year for three years, by which the £8,000 would be cleared off in three years. The call which had been made would be payable on 14th September. The hon. gentleman concluded by moving—"That the report now read be adopted, and the directors are hereby authorised and requested to carry into effect the recommendations contained in the report for the distribution by way of interest, out of the profits of the company, at the rate of 12s. per share, less income-tax, and that such amount be paid to each shareholder who has signed the deed of settlement on the 31st August instant, and to such shareholders as may not then have signed the deed, on their signing the same."

The motion was seconded by Mr. Rodwell, and was supported by Mr. J. T. Atkinson, who put some questions, which were answered to his satisfaction.

The report and accounts were agreed to unanimously.

The election of an auditor, forming part of the business, Mr. W. Layton, of Ely, proposed, and Mr. James Frederick Smith seconded, Mr. John Tindal Atkinson as the shareholders' auditor, and that gentleman was elected with acclamation.

A very warm vote of thanks to the chairman and directors was carried in an enthusiastic manner. The chairman responded, and the meeting separated.

## Communications.

*To the Editor of the "Bankers' Magazine."*

### CLERK'S SALARIES.

SIR,—Under the head of communications in your magazine for September, there is an inquiry from a fellow of the Statistical Society, asking if any one who can speak from experience will say "in what way does a banker's clerk contrive to support a wife and family upon £80 a year?" I



will endeavour to show him the way in which these unfortunate people exist, for it cannot be called either living or supporting a family. For example, we will take the first year of the marriage life upon this enormous stipend, for which the poor creature has to excite himself from nine o'clock in the morning until five, six, and frequently seven and eight o'clock in the evening :—

<i>Dr.</i>						£	s.	d.
Furnished apartments in a mean street	...	...	...	...	...	20	0	0
Clothes for husband...	...	...	...	...	...	8	0	0
Ditto for wife	...	...	...	...	...	4	0	0
Breakfasts	...	...	...	...	...	10	12	0
Wife's dinners at home	...	...	...	...	...	12	0	0
Husband's dinners in the city	...	...	...	...	...	14	0	0
Extras on Sundays	...	...	...	...	...	2	0	0
Teas, suppers, and pocket money	...	...	...	...	...	9	8	0
						£80	0	0
<i>Cr.</i>						£	s.	d.
One year's salary	...	...	...	...	...	80	0	0
						£80	0	0

Having more strength than sense, they are not supposed to be ill during the first year. The effects of anxiety from poor living and the introduction of a small baby I shall, if you think fit, have much pleasure in producing in a balance-sheet in the next month's magazine.

I have the honour to be, sir,

ONE WHO THINKS THE MIND OF A CLERK SHOULD  
BE FREE FROM CARE.

## Notes of the Month.

**THE ELECTRIC TELEGRAPH IN AMERICA.**—From statistical data collected by the Telegraphic Confederation in the United States, it was found that in 1853 the annual consumption and cost of materials were as follow:—Nitric acid, 199,680 lb., £1,105; sulphuric acid, 50,000 lb., £500; zinc cylinders, 16,500 lb. £400; mercury, 3,000 lb., £600; forms for messages, 10,000,000, £5,000; envelopes, 6,000,000, £2,680; pens, 576,000, £720; pencils, 50,000, £500. These returns, including only the results of the lines worked by the Morse instruments, about nine-tenths of the whole, would require to be increased by a ninth to obtain the total consumption. It appears that on the lines of the United States the number of telegraphic messages transmitted in 1853 exceeded 11,000,000.

**AUSTRALIAN GOLD.**—According to a parliamentary paper just published, the totals of gold shipped from Australia during the year 1856 were £136,007 from New South Wales, and £12,015,224 from Victoria. Of the latter, £10,809,652 was sent to England, £774,496 to India and China, £429,716 to Sydney, Adelaide and Tasmania, and £1,360 to America. The largest shipments were made in January, March, April, August, and December; and the smallest in July and November.



**THE NEW ACT ON JOINT-STOCK COMPANIES.**—The new Joint-stock Companies Act has just been issued. It contains some important provisions respecting shareholders, especially with reference to the Royal British Bank. The title of the statute is "An Act to amend the 7th and 8th Vict., c. 111, for facilitating the Winding-up the affairs of Joint-stock Companies unable to meet their pecuniary engagements;" and also the "Joint-stock Companies Winding-up Acts, 1848 and 1849." The object of the act is to make provision for the more equal distribution amongst creditors as well of the assets to arise from separate estates or contributions of shareholders in any company, as of the joint assets thereof. In all cases where an order has been made for winding-up a company, the judge or master may call a meeting of creditors to appoint a representative of creditors, and, after the advertisement, all the creditors of the company shall be deemed to be parties to the winding-up. In case of a bankruptcy, the representative of creditors to cease and to vest in the assignees. The second clause is of considerable importance. It enacts that where a company has become bankrupt, and there is no winding-up order, the assignee may, by leave of the Court of Bankruptcy, compromise with shareholders, so as to bind all the creditors. The representative of creditors may concur in proceedings and in compromises, and all the creditors are to be bound thereby. Compromises, &c., to be subject, in certain cases, to the consent of the creditors. An appeal is given. After advertisements for representative creditor, no action is to be commenced or proceeded with without leave of the court, and time is not to run against the parties liable. This clause would have saved much litigation had it been in the former act. The other provisions contain directions to carry out the act, which consists of sixteen sections, and is to be "The Joint-stock Companies Winding-up Amendment Act."

**VEGETABLE PRODUCTS OF THE UNITED STATES.**—The official statistics show that the crop of Indian corn amounted in 1855 to 600,000,000 bushels, valued at \$60,000,000 dols.; the crop of wheat to 165,000,000 bushels, valued at 247,500,000 dols.; oats, 170,000,000 bushels, value 68,000,000 dols.; potatoes, 110,000,000 bushels, value 41,250,000 dols.; rice, 200,000,000 lbs., value 101,000,000 dols.; cane sample sugar, 589,000,000 lbs., value 37,350,000 dols.; cotton, 1,700,000,000 lbs., value 136,000,000 dols.; hay and fodder, 16,000,000 tons, value 160,000,000 dols. The value of domestic animals and animal products in the States is set down at £300,000,000 sterling.

**THE HASTINGS OLD BANK FAILURE.**—Mr. Ventom, auctioneer, offered to public competition on the 17th of September, at the Auction Mart, by order of the assignees of the separate estate of Mr. Tilden Smith, one of the partners of the Hastings Old Bank, the Vine Hall estate, situated at Mountfield, near Hurst Green, Sussex, with family mansion, erected at a cost of £6,000, out-buildings, pleasure-grounds, farm-buildings, thirty-six cottages and public-house, manorial rights, and 578 acres of land, nearly the whole being freehold. The timber and underwood to be taken at a valuation, which is estimated to amount to between £5,000 and £6,000. The auctioneer expressed his regret at the haste with which the sale had been urged on, in consequence of the clamours of the creditors, who looked only to an early dividend. Bought in at £16,000.

**BANK CHARTER ACT.**—The blue book of evidence taken before the Select Committee on the Bank Act has been published, and as the inquiry will be resumed next session, the committee, in the short report issued, express no opinion whatever on the statements made by the various witnesses. The respective parties examined were, Mr. T. M. Weguelin, Mr. S. Neave, Mr. W. Newmarch, Mr. J. S. Mill, Mr. J. G. Hubbard, Mr. G. W. Norman, Lord Overstone, Mr. N. Alexander, Mr. J. Twells, Mr. D. B. Chapman, and Mr. E. Capps.



## MONTHLY CHRONOLOGY.

Sept. 1.—At a meeting of the creditors of Messrs. Bruford, Dyer and Co., of Bristol, whose failure was announced in our last number, the total liabilities were stated to be £257,800, and it was agreed that the estate should be wound-up under inspection.

3.—The directors of the Bank of England extend their limitation of discount of bills from three to six months.

5.—Announcement of the suspension of Messrs. Warburton and Ormesher, silk brokers, of Manchester, with liabilities estimated at £20,000.

7.—Suspension of Messrs. H. F. Fardon and Co., of the Stoke Soapworks, near Bromsgrove; liabilities estimated at from £30,000 to £40,000.

7.—Stoppage of Mr. Aaron Crosfield, general merchant, of Bristol; debts about £10,000.

7.—Suspension of Mr. Charles Isaacs, of Bristol, in the Australian trade, with liabilities amounting to about £15,000.

7.—Failure of Messrs. George Wyld and Sons, rectifying distillers, Bristol.

7.—Failure of Messrs. Perren and Co., merchants, ship and insurance agents, of Bristol, for £20,000.

15.—The directors of the Bank of Holland raise their rate of discount from 4½ to 5 per cent.

17.—A dividend of 5½ per cent. declared at the half-yearly meeting of the Bank of England proprietors.

18.—Suspension of Mr. William Summerskill, silk manufacturer, of Manchester; liabilities not very heavy.

19.—Stoppage of Mr. Lynd, drysalter and oil merchant, Leeds; the liabilities are about £30,000.

24.—Failure of the Hull Bank conducted by Messrs. Harrison, Watson, and Co. The cause of embarrassment said to be through heavy advances to the Hull Flax and Cotton Mills Company, which is also in difficulties.

The failures announced to have taken place during the past month in the United States are comprised in the subjoined list:—

Messrs. E. C. Bates and Co., merchants, Boston; liabilities put down at 500,000 dollars.

Messrs. Whiting and Hinds, merchants, Boston.

Messrs. Brewster and Co., bankers, Rochester.

Mr. Joseph Fairweather, of St. John's (N.B.); liabilities between £30,000 and £40,000.

The Ohio Life and Trust Company, involving an amount of about 7,000,000 dollars.

Messrs. De Lanny, Iselin and Clark, foreign bill brokers.

Mr. E. S. Munroe, stock broker.

Mr. John Thompson, bank agent and share dealer.

Messrs. Tuttle, Cutting and Co., of New York, in the grain and flour trade.

Messrs. Bates, Griffin and Livermore, New York, dealers in grain.

Messrs. L. W. Kirby and Co., of Warren (Pen.), dry goods jobbers; with liabilities estimated at 500,000 dollars.

Messrs. Stillman, Allen and Co., machinists, Boston.

Messrs. Saroni and Goodheim, Boston, clothiers; liabilities 500,000 dollars.

Messrs. Beebe and Co., bankers and bullion dealers, New York.

Messrs. J. H. Prentice and Co., hat and fur dealers, New York.

Messrs. Adams and Buckingham, flour dealers, New York.

Messrs. Breese, Kneeland and Co., car and locomotive manufacturers, Jersey.

The Mechanics Banking Association, New York.

The Ontario County Bank.

The Bank of Orleans.

Messrs. Hatch and Langdon, Cincinnati.

The Rhode Island Central Bank.

Messrs. Allen and Son, cloth printers, Providence, Rhode Island; and Mr. H. Allen, of the same place. Their united liabilities said to exceed 1,500 000 dollars.



Messrs. Reeves, Abbott and Co., Pennsylvania, iron manufacturers ; liabilities £160,000.  
 Messrs. Reeves, Birch and Co., of Pennsylvania.  
 Messrs. Hudson, Robertson and Pulliam, New York, importers ; liabilities £160,000.  
 Mr. F. G. Swan, New York, warehouseman ; liabilities £240,000.  
 Mr. Stephen Colwell, iron merchant, Philadelphia ; liabilities £100,000.  
 Bank of New Jersey ; liabilities £40,000.  
 Messrs. M. J. Bell and Co., New York, money dealers.  
 Messrs. L. and O. Kirby, New York, importers.  
 Messrs. Fitzhugh and Littlejohn, of Oswego, carriers.  
 Messrs. Grant, Sayles and Co., produce receivers.  
 Messrs. C. H. Stone and Co., Boston.  
 Messrs. Conant, Dodge and Co., New York.  
 Mr. Phillip Allen Torra, Providence.  
 Mr. Z. Allen, Providence.  
 The Huguenot Bank of New Paltz.  
 Messrs. Pierre and Houlse, Washington.  
 Georgetown Bank of Commerce.  
 Messrs. Nasmith and Co., New York.  
 Messrs. Sword, Watling and Co., Philadelphia.  
 The Citizen Bank, Cincinnati.  
 Messrs. Collard and Hughes, Cincinnati.  
 Messrs. Davis, Suydam, Dubois and Co., Rondoubt, N.S.  
 Messrs. Carpenter and Co., New York.  
 Messrs. Ward and Nash, Louisville.

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## Monetary Intelligence.

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### REVIEW OF THE MONEY MARKET FOR THE MONTH OF SEPTEMBER, 1857.

THERE has been great stagnation in public affairs during the past month, Depression, unfortunately, is the order of the day, through the political position of India ; and the anxiety evinced to ascertain the nature of the intelligence by each mail, shows the importance attached to the progress of events in that quarter of the globe. The result is that business is checked, uneasiness created, and a general heaviness produced, which, without severely affecting monetary or mercantile interests, prevents activity. Consequently, during the last fortnight, there has almost been entire stagnation, and the operators in public securities have generally suspended transactions. The value of money is well supported, and there is evidently no expectation of a decline, the efflux of specie to the continent, with the advance in the rates of discount at Amsterdam, Hamburg, and Berlin, to 6½ per cent., causing some parties, on the contrary, to believe that a prospect exists of a movement in the other direction. Notwithstanding large Australian remittances have been received, the drain to France and Hamburg excites some apprehension, particularly since the disturbances in the money circles of the United States, where pressure and panic have prevailed, has caused shipments of gold from New York to be suspended. Trade generally appears to be scarcely so sound as formerly, and the failures in the provinces, although unimportant, indicate that weak firms cannot resist the effects of the late maintenance of the rates for mercantile accommodation. The *minimum* of the Bank of England has not varied, while in Lombard Street the rate is fully 5½ per cent.



The range in English stocks has been about one and a quarter per cent., and a decline of one per cent. has been established. The fall has been gradual, with an absence of animation in business, the advices from India continuing to exercise an unfavourable influence upon prices. An increased demand for money has likewise tended to create an unsettled feeling. Exchequer bills fail to be supported, and as the East India Company are understood to be selling, the quotation has descended to 10s. discount.

Foreign stocks have been comparatively inactive, and a decline has occurred in several of the leading descriptions. Peruvian, Mexican, and Turkish are lower, the reaction having been mainly produced by speculative sales. Russian has exhibited less firmness, but the operations have not been extensive.

Railway shares have fluctuated to the extent of 2 or 4 per cent., and there is still a decline of 1 to 3 per cent. upon the quotations at the commencement of the month. The general heaviness at the Stock Exchange, with the competition entered into between the Great Northern, the London and North Western, &c., it is apprehended may terminate in an open rupture, and consequently the speculators have operated adversely. The fall has at length been checked, and there is now a slight recovery.

The following are the fluctuations in the English and Foreign Stocks, and Railway Shares, during the month just concluded :—

	Price on Aug. 29.	Highest.	Lowest.	Price on Sept. 28.
<b>ENGLISH FUNDS.</b>				
Consols ... ..	90½-90½	91	89½	90½
Exchequer bills ... ..	4s. dis. to par.	par.	10s. dis.	8s. dis.
<b>FOREIGN STOCKS.</b>				
Brazilian ... ..	101½	102½	101½	102
Buenos Ayres ... ..	84½	85	83½	84
Chilian ... ..	...	105	104½	104½
Dutch, 2½ per cent. ... ..	...	64½	64½	64½
Mexican ... ..	22	22	21½	21½
Peruvian, 4½ per cent. ... ..	80	80½	79	79
Russian ... ..	112	112	109	109
Spanish ... ..	40½	40½	40	40½
Turkish, 6 per cent. ... ..	94½	95½	94½	94½
Ditto, 4 per cent. ... ..	99½	100	99½	99½
<b>RAILWAY SHARES.</b>				
Brighton ... ..	104½	105½	99½	104
Caledonian ... ..	80½	86 ex. d.	80½	84
Eastern Counties ... ..	56 ex. d.	58½	56	57
Great Northern ... ..	96½	97	95½	97½
Great Western ... ..	54 ex. d.	57 ex. d.	53½	54
Lancashire and Yorkshire... ..	99½	100½	96	96½
London and North Western ... ..	100 ex. d.	100½ ex. d.	95½	96½
Midland ... ..	81½ ex. d.	82½	80½	80½
North Staffordshire ... ..	13½	13½	13½	13½
South Eastern ... ..	69½ ex. d.	70 ex. d.	66	65½
South Western ... ..	92½	93½	90½	90½
York, Newcastle, and Berwick ... ..	93½ ex. d.	95 ex. d.	91½	91
York and North Midland ... ..	78½ ex. d.	80½	77	77
East Indian... ..	99	99½	97½	97½
Northern of France ... ..	...	34½	33½	34½



## THE GRAIN TRADE.

The very favourable state of the weather for the conclusion of the harvest, with the additional circumstance that the crops both in France and the United States have proved large, has produced a decided influence on the value of wheat—a decline of from 2*s.* to 3*s.* Having been established. Early in the month the fall was greater, but there was subsequently a partial recovery. The market now seems to have settled down into a quiet state, and it is not expected that we shall have immediately a low range of prices.

The *Gazette* returns for England and Wales have been :—

Week ending 1857.	Wheat. Qrs. sold.	Weekly Average. s. d.	Six Weeks' Average. s. d.	Duty. s. d.	Corresponding Six Weeks. Last Year s. d.
Aug. 29 .....	92,646 ...	60 4 ...	60 1 ...	1 0 ...	73 5
Sept. 5 .....	105,841 ...	58 4 ...	59 4 ...	1 0 ...	72 11
„ 12 .....	118,385 ...	55 8 ...	58 8 ...	1 0 ...	71 6
„ 19 .....	135,244 ...	56 9 ...	58 4 ...	1 0 ...	69 7

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grain. Qrs.	Total Qrs.
Fifty-seven weeks ended 19th Aug. ...	4,228,745	4,099,523	8,328,268
Four weeks ended 16th September ...	211,137	302,398	513,535
	4,439,882	4,401,921	8,841,803

And the *weekly averages* have been :—

Fifty-seven weeks ended 19th August ...	74,000	72,000	146,000
Four weeks ended 16th September ...	53,000	75,000	128,000
	Less 21,000	more 3,000	less 18,000

## STATE OF TRADE.

Business in the manufacturing districts has been rather dull, owing to the nature of the American advices. The late failures have also created some little apprehension, which has caused a partial relaxation of activity. There is, however, no serious diminution in trade, although the prospects of the future cannot be regarded as altogether satisfactory.

## NOTICES TO CORRESPONDENTS.

Some letters and reviews stand over, but they will be disposed of next month. Correspondents will please send communications directed to the editor of the *Bankers' Magazine*, No 8, Birchinn-lane, Cornhill; and, to ensure punctual attention, they should be forwarded by the 20th of the month.

**A STUDENT IN POLITICAL ECONOMY.**—The work is worth reading, but some of the deductions are erroneous.

**INVESTIGATOR.**—As the question is under consideration, you had better defer the application until a more advanced period.

**SENIOR CLERK (DUDLEY).**—No arrangement of the kind is, we believe, contemplated. Should any proposal be requisite, a letter will be forwarded to the desired address.



	26	27	28	29	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	21	22	23	24	25
Bank. Stock, div 4½ p.c. year	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½	214½
3 per Ct. Red. Anns.	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91
Ditto ex. div. for opening	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90
3 per Ct. Consols. Anns.	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91
New 3 per cent. Anns.	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91
Ditto ex. div. for opening	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90
New 2½ per cent.	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90
Long Anns. Jan. 5, 1860	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Ditto 30 years, Oct. 10, 1859	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Ditto 30 years, Jan. 5, 1860	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Ditto 30 years, Apr. 5, 1860	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
India Stock (div. 104 percent.)	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½	210½
Do. Bonds (div. 4 p.c.)	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½	204½
Ditto under £500	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½
3 p. Ct. Cons. for ac. 9th Sept.	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½
Ditto for account 14th Oct.	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½	90½
India Stock for ac. 14th Oct.	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d
Ex. Bills £1000, 2½ d. per 100m	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d
Ditto. Small do.	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d
Ditto. Large do.	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d	48d
Ditto Advertised	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½
Ditto Bonds A 1858 3½ p.c.	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½
Ditto under £1000	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½
Ditto under £1000	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½	98½

JOINT-STOCK BANKS.

	London	Latest Prices.
Australasia	£40 abn.	£87½
British North American	50	61½
Bank of London	100	50
Commercial of London	100	20
Colonial	100	25
City Bank	100	50
London and Westminster	100	50
London Joint Stock	100	50
Oriental Bank	100	25
Provincial of Ireland	100	25
National Bank	100	25
National Provincial of England	100	25
South Australian	100	25
Union of Australia	100	25
Union of London	100	25
London and County	100	25
London Chartered of Australia	100	25
Bank of India & Australia	100	25
Bank of Egypt	100	25
Ottoman Bank	100	25

FOREIGN STOCKS (27th September.)

Brazilian Bonds, 5 per Cent.	101
Chilian Bonds, 6 per Cent.	104
Danish 5 per Cent.	103
Mexican 3 per Cent.	21
Peruvian 4½ per Cent.	43½
Portuguese Bonds, 3 per Cent.	109
Russian Bonds, 1822, 5 per Cent. in £ Ster.	98
Ditto, 4½ per Cent.	40½
Spanish Bonds 3 per Cent.	25½
Ditto, 3 per Cent. Deferred	94½
Turkish 6 per Cent.	64½
(Dividends on the above payable in London.)	
Dutch 2½ per Cent.	99½
Ditto 4 per Cent. Loan	300
French 4½ per Cent., at Paris, Sept. 26, 91f. 30c.	68f. 25c.
Ditto 3 per Cent., ditto	

RAILWAY SHARES.

	Contrast.	Paid up	Prices
Caledonian	£100	£100	84
Eastern Counties	£100	£100	57
Great Northern	£100	£100	97½
Great Western	£100	£100	54
London and Blackwall	£100	£100	6
London and Brighton	£100	£100	104
London and North-West	£100	£100	102½
Midland	£100	£100	94
South-Eastern	£100	£100	80½
York, Newcastle, & Berwick	£100	£100	71½
York & North Midland	£100	£100	91

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows:—

## ISSUE DEPARTMENT.

	1857. Aug. 8th.	1857. Aug. 15th.	1857. Aug. 22nd.	1857. Aug. 29th.
Notes issued.....	£ 25,098,350	£ 25,075,765	£ 25,039,490	£ 25,323,965
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	3,450,000	3,450,000	3,450,000	3,450,000
Gold coin and bullion .....	10,623,350	10,600,765	10,564,490	10,845,965
Silver bullion .....	—	—	—	—
	25,098,350	25,075,765	25,039,490	25,323,965

## BANKING DEPARTMENT.

	1857. Aug. 8th.	1857. Aug. 15th.	1857. Aug. 22nd.	1857. Aug. 29th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,636,566	3,636,567	3,595,867	3,583,010
Public deposits (including Ex- chequer, Savings Banks, Com- missioners of National Debt, and Dividend Accounts) .....	6,300,771	5,530,867	5,798,303	6,429,394
Other deposits .....	10,363,335	10,606,839	9,765,303	9,705,366
Seven day and other bills .....	736,353	733,090	737,692	784,059
	35,484,024	35,120,033	34,443,565	35,056,729
Government securities (including Dead Weight Annuities) .....	10,593,654	10,593,654	10,593,654	10,593,654
Other securities .....	18,679,066	18,303,490	17,353,383	17,611,663
Notes.....	5,551,210	5,602,740	5,830,983	5,999,790
Gold and silver coin .....	660,104	659,141	665,641	651,623
	35,484,024	35,120,033	34,443,565	35,056,729

## The Exchanges.

	July 31st.	Aug. 7th.	Aug. 14th.	Aug. 21st.
Amsterdam, short ..	11 17½	11 17½	11 17	11 17
Ditto 3 months..	11 19½	11 19½	11 19½	11 19½
Rotterdam, ditto ..	11 19½	11 19½	11 19½	11 19½
Antwerp, ditto ..	25 35	25 40	25 40	25 42½
Brussels, ditto .....	25 35	25 40	25 40	25 42½
Hamburg, ditto .....	13 8½	13 8½	13 8½	13 8½
Paris, short .....	25 25	25 25	25 25	25 25
Paris, 3 months .....	25 62½	25 65	25 65	25 65
Marseilles, ditto .....	25 62½	25 65	25 65	25 65
Frankfort, ditto .....	119½	119½	119½	119½
Vienna, ditto .....	10 31	10 31	10 32	10 32
Trieste, ditto .....	10 32	10 31	10 34	10 34
Petersburgh, ditto ..	36½	36½	36½	36½
Madrid, ditto .....	49½	49	48½	49
Cadix, ditto .....	49½	49½	49½	50
Leghorn, ditto .....	29 87½	29 90	29 85	29 90
Genoa, ditto .....	25 80	25 80	25 80	25 80
Naples, ditto .....	42½	42½	42½	42½
Palermo, ditto .....	127½	128	128	128
Messina, ditto .....	128	128½	128½	128½
Lisbon, ditto .....	52½	52½	52½	52½
Oporto, ditto .....	52½	52½	52½	52½
Rio Janeiro 60 days' date	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£ 3 17 9	£ 3 17 9	£ 3 17 9	£ 3 17 9
(Standard) .....	0 0 0	0 0 0	0 5 1½	0 0 0
Mexican Dollars .....	0 0 0	0 0 0	0 0 0	0 0 0
Silver in Bars (Stand.).	0 0 0	0 0 0	0 0 0	0 0 0



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTE.

## PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Aug. 8.	Aug. 15.	Aug. 22.	Aug. 29.
	£	£	£	£	£
1 Andover Bank .....	17,751	11,674	10,871	10,426	10,850
2 Ashford Bank .....	11,849	10,657	9,628	9,950	10,201
3 Aylesbury Old Bank .....	48,461	28,010	27,731	27,653	28,580
4 Baldock and Biggleswade Bank ...	37,223	25,430	25,992	26,942	27,154
5 Barnstaple Bank .....	17,182	9,320	9,214	9,691	9,757
6 Basingstoke and Odiham Bank ...	24,730	22,678	22,134	22,485	22,733
7 Bedford Bank .....	34,218	31,397	32,747	32,707	33,299
8 Bewdley Bank .....	18,597	11,005	11,349	11,827	11,369
9 Bicester and Oxfordshire Bank ...	27,090	13,658	14,562	13,595	13,757
10 Birmingham Bank—Attwoods & Co.	23,695	22,639	23,115	24,210	24,802
11 Birmingham and Warwickshire Bk.	18,132	7,940	7,802	8,524	8,310
12 Blandford Bank .....	9,723	6,622	7,251	7,455	6,873
13 Boston Bank—Garfit and Co. ....	75,069	67,244	67,528	68,267	69,761
14 Boston Bank—Gee and Co. ....	15,161	14,635	14,987	13,857	14,672
15 Bridgewater Bank .....	10,028	5,956	6,196	6,770	7,042
16 Bristol Bank .....	48,277	29,209	29,666	28,781	28,460
17 Broseley and Bridgenorth Bank ...	26,717	17,599	17,395	17,043	16,189
18 Buckingham Bank .....	29,557	20,713	21,450	21,403	21,534
19 Bury and Suffolk Bank .....	82,362	61,411	62,308	61,141	62,536
20 Banbury Bank .....	43,457	31,943	31,727	31,897	32,167
21 Banbury Old Bank .....	55,153	24,980	25,497	26,384	27,093
22 Bedfordshire Leighton Buzzard Bk.	36,829	35,328	34,967	34,557	34,697
23 Birmingham Bk.—Lloyds & Co. ...	38,816	28,879	27,779	28,817	27,385
24 Bradford Old Bank .....	12,676	11,488	12,161	12,975	13,121
25 Brecon Old Bank .....	68,271	55,619	53,870	53,646	57,875
26 Brighton Union Bank .....	33,794	15,935	16,077	15,591	15,812
27 Burlington and Driffield Bank .....	12,745	12,514	12,701	12,461	12,172
28 Bury St. Edmund's Bank .....	3,201	2,359	2,422	2,632	2,929
29 Cambridge Bk.—Mortlock & Co.	25,744	13,112	12,482	11,859	11,716
30 Cambridge and Cambridgeshire Bk.	49,916	46,662	45,975	46,685	47,724
31 Canterbury Bank .....	33,671	28,175	27,410	27,027	27,270
32 Carmarthen Bank .....	23,597	19,805	20,755	20,486	20,002
33 Chertsey Bank .....	3,436	2,698	2,628	2,520	2,362
34 Colchester Bank .....	25,082	16,549	16,027	16,220	16,421
35 Colchester and Essex Bank .....	48,704	35,055	33,257	33,464	33,745
36 Cornish Bank—Tweedy & Co. ...	49,869	43,767	42,981	43,764	44,314
37 Coventry Bank .....	12,045	6,590	6,525	6,333	6,478
38 City Bank, Exeter .....	21,527	19,624	19,692	19,638	19,507
39 Craven Bank—Alcocks & Co. ...	77,154	70,010	69,505	69,823	70,787
40 Chepstow Old Bank .....	9,387	8,460	7,804	7,689	7,412
41 Derby Bank—Messrs. Evans .....	13,332	11,002	10,471	10,659	10,803
42 Derby Bank—Smith and Co. ....	41,304	30,884	31,264	33,339	34,716
43 Derby Old Bank .....	27,237	26,545	25,664	25,170	25,659
44 Devizes and Wiltshire Bank .....	20,674	8,160	8,448	8,079	8,102
45 Diss Bank .....	10,657	10,485	10,435	10,185	10,506
46 Doncaster Bank and Retford Bank	77,400	69,404	68,189	66,744	65,331
47 Darlington Bank .....	86,218	81,081	80,800	81,983	80,578
48 Devonport Bank .....	10,664	8,565	8,415	9,154	9,203
49 Dorchester Old Bank .....	48,807	48,690	48,543	47,677	46,270
50 East Cornwall Bk.—Robins & Co.	112,280	94,591	92,813	91,870	90,928
51 East Riding Bank—Bower & Co.	53,392	52,338	51,922	52,659	52,612
52 Essex Bk. & Bishops Stortford Bk.	69,637	41,542	41,845	42,512	44,245
53 Exeter Bank .....	37,894	25,085	23,726	23,875	23,871
54 Faringdon Bk. & Bk. of Wantage	8,977	7,568	7,481	7,159	7,008
55 Farnham Bank .....	14,202	10,014	9,864	9,867	10,028
56 Faversham Bank .....	6,681	6,148	6,100	6,160	6,104
57 Godalming Bank .....	6,322	4,413	4,215	4,276	4,652



**WEEKLY RETURNS OF BANKS OF ISSUE.**

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Aug. 8.	Aug. 18.	Aug. 22.	Aug. 29.
	£	£	£	£	£
58 Guildford Bank .....	14,524	13,215	13,049	12,953	12,347
59 Grantham Bank—Hardy and Co.	30,372	23,451	22,932	24,410	24,375
60 Hereford City and County Bank..	22,364	17,228	17,291	17,325	17,954
61 Hull & Kingston-upon-Hull Bank	19,979	20,044	19,698	19,193	19,776
62 Huntingdon Town & County Bank	56,591	46,275	45,872	48,119	50,900
63 Harwich Bank .....	5,778	5,070	4,770	4,749	5,131
64 Hertfordshire, Hitchin Bank .....	38,764	27,614	28,893	28,164	28,457
65 Hereford, Ross, & Archenfield Bk.	27,625	25,943	25,332	25,351	25,506
66 Ipswich Bank .....	21,901	19,503	19,300	18,694	19,335
67 Ipswich & Needham Market Bank	80,699	60,039	58,560	58,249	58,036
68 Kentish Bank—Mercer & Co. ....	19,895	9,938	8,964	9,035	8,606
69 Kingston and Radnorshire Bank...	26,050	26,035	25,405	25,820	25,913
70 Rnaresborough Old Bank .....	21,825	19,759	19,981	19,721	19,660
71 Kendal Bank .....	44,663	42,069	43,013	43,464	43,596
72 Longton Staffordshire Bank .....	5,624	5,286	5,251	5,309	5,301
73 Leeds Bank .....	53,357	53,181	53,145	54,128	52,515
74 Leeds Union Bank .....	37,459	36,786	37,102	37,675	36,930
75 Leicester Bank .....	32,322	22,787	23,344	23,564	23,630
76 Lewes Old Bank .....	44,836	14,131	14,891	15,440	15,568
77 Lincoln Bank .....	100,342	82,940	81,111	79,612	78,930
78 Llandoverly Bank & Llandilo Bank	32,945	20,038	21,886	24,955	23,899
79 Loughborough Bank .....	7,359	6,237	7,148	6,966	6,935
80 Lymington Bank .....	5,038	3,972	3,967	3,998	3,989
81 Lynn Regis and Lincolnshire Bank	42,817	34,277	33,648	34,806	34,963
82 Lynn Regis and Norfolk Bank ...	13,917	11,810	11,898	12,489	11,530
83 Macclesfield Bank .....	15,760	14,599	14,770	15,079	14,757
84 Manningtree Bank .....	7,692	1,629	1,401	1,446	1,658
85 Merionethshire Bank .....	10,906	5,795	7,208	7,428	6,997
86 Miners' Bank .....	18,688	17,213	17,427	17,196	18,357
87 Monmouthshire Agricultural and Commercial Bank .....	29,335	28,147	29,634	29,287	27,513
88 Monmouth Old Bank .....	16,385	16,152	16,473	16,238	15,697
89 Newark Bank .....	28,788	19,023	18,021	16,985	16,480
90 Newark and Sleaford Bank .....	51,615	46,435	44,616	42,485	42,717
91 Newbury Bank .....	36,787	17,621	17,965	18,496	19,242
92 Newmarket Bank .....	23,098	17,209	16,846	16,923	17,479
93 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	45,225	45,142	46,063	48,288
94 Norwich and Norfolk Bank .....	105,519	95,661	95,459	95,162	96,625
95 Nottingham, Nottinghamshire ...	10,866	8,852	8,917	9,400	9,414
96 Nuneaton Bank .....	5,898	2,433	2,284	2,370	2,069
97 Naval Bank, Plymouth .....	27,321	20,953	21,380	21,412	21,433
98 New Sarum Bank.—Everett and Pinckneys .....	15,659	9,389	10,113	9,864	9,774
99 Nottingham Bank .....	31,047	30,229	29,719	30,295	31,119
100 Oswestry Bank .....	18,471	10,112	10,298	10,280	9,454
101 Oxford Old Bank .....	34,391	30,750	29,283	28,765	28,816
102 Old Bank, Tonbridge .....	13,183	6,161	6,164	6,290	5,808
103 Oxfordshire Witney Bank .....	11,852	9,658	9,670	9,640	9,737
104 Pease's Old Bank, Hull .....	48,807	45,572	46,380	46,369	46,184
105 Penzance Bank .....	11,405	10,927	10,503	10,337	10,444
106 Peterborough Bank—Yorke & Co.	12,545	8,438	9,158	8,936	9,723
107 Pembrokeshire Bank .....	12,910	11,535	12,925	12,901	11,830
108 Reading Bank—Simmonds & Co.	37,519	27,998	28,475	28,773	29,124
109 Reading Bk.—Stephens & Blandy	43,271	28,836	28,727	28,655	28,730
110 Richmond Bank, Richmond .....	6,889	5,931	6,110	6,234	6,234
111 Rochdale Bank .....	5,590	4,298	4,398	4,233	4,150
112 Rochester, Chatham, & Strood Bk.	10,480	7,575	7,903	7,867	7,387
113 Royston Bank .....	16,393	11,660	11,724	11,622	12,185
114 Rugby Bank .....	17,250	8,446	8,381	8,678	9,239
115 Rye Bank .....	29,864	9,783	9,983	10,149	10,784



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Aug. 8.	Aug. 15.	Aug. 22.	Aug. 29.
	£	£	£	£	£
116 Ross Old Bank, Herefordshire ...	4,420	4,040	3,580	4,039	4,312
117 Saffron Walden & North Essex Bk.	47,646	24,763	23,935	23,621	23,486
118 Salop Bank .....	22,338	13,815	13,846	14,055	14,079
119 Scarborough Old Bank .....	24,813	23,132	22,137	22,149	21,342
120 Shrewsbury Old Bank.....	43,191	35,111	35,942	35,796	35,605
121 Sittingbourne and Milton Bank...	4,789	2,725	3,076	3,060	2,788
122 Southampton Town & County Bk.	18,589	11,483	10,923	10,552	11,005
123 Southwell Bank .....	14,744	10,282	10,118	10,100	10,520
124 Southampton and Hampshire Bk.	6,770	2,895	2,710	2,585	2,489
125 Stone Bank .....	9,154	325	325	325	325
126 Stafford Old Bank .....	14,166	12,600	11,729	11,718	11,879
127 Stamford and Rutland Bank .....	31,858	23,997	23,303	24,566	24,705
128 Shrewsbury and Welsh Pool Bank	25,336	21,215	20,335	20,603	19,680
129 Taunton Bank .....	29,799	23,896	24,536	25,697	25,211
130 Tavistock Bank .....	13,421	9,599	8,465	8,297	8,181
131 Thornbury Bank .....	10,026	7,984	8,023	8,196	8,296
132 Tiverton and Devonshire Bank ...	13,470	10,625	10,707	11,105	10,939
133 Thrapstone and Kettering Bank..	11,559	11,495	11,010	11,295	11,717
134 Tring Bank and Chesham Bank..	13,531	11,284	11,553	12,155	12,193
135 Towcester Old Bank .....	10,801	6,970	6,916	6,962	7,019
136 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	8,617	8,602	8,637	8,768
137 Union Bank, Cornwall .....	17,003	16,260	14,643	13,654	14,235
138 Uxbridge Old Bank .....	25,136	12,183	11,700	11,307	12,330
139 Wallingford Bank .....	17,064	7,370	7,400	7,310	7,339
140 Warwick and Warwickshire Bank	30,504	22,585	22,370	22,061	21,729
141 Wellington Bank, Somerset .....	6,528	6,292	6,243	6,052	5,842
142 West Riding Bank .....	46,158	43,619	43,058	42,897	43,022
143 Whitby Old Bank .....	14,258	13,704	13,225	13,260	13,281
144 Winchester, Alresford & Alton Bk.	25,892	19,308	18,470	18,002	17,770
145 Weymouth Old Bank .....	16,461	15,757	16,825	16,939	16,089
146 Wirksworth and Derbyshire Bk.	37,602	32,165	31,204	31,788	33,122
147 Wisbeach and Lincolnshire Bank	59,713	45,171	46,708	46,720	48,485
148 Wiveliscombe Bank .....	7,602	6,771	6,808	6,462	7,248
149 Wolverhampton Bk.—Goodricke	14,180	10,683	10,433	10,285	11,184
150 Worcester Bank .....	15,463	5,214	5,023	5,227	5,025
151 Worcester Old Bank .....	87,448	60,479	59,825	60,351	60,470
152 Wolverham. Bk.—R. & W. Fryer	11,867	10,858	10,597	11,267	11,366
153 Yarmouth and Suffolk Bank .....	53,060	40,400	40,044	39,380	42,135
154 Yarmouth, Norfolk, & Suffolk Bk.	13,229	11,057	10,576	10,630	11,243
155 York Bank .....	46,387	41,028	39,921	39,165	40,237

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	8,892	8,865	8,664	8,573
2 Barnsley Banking Company .....	9,563	8,082	7,806	7,907	8,261
3 Bradford Banking Company .....	49,292	47,970	47,407	47,223	47,020
4 Bilton District Banking Company	9,418	9,307	9,418	9,003	9,295
5 Bank of Whitehaven.....	32,681	27,410	26,995	26,625	26,738
6 Bradford Commercial Banking Co.	20,084	19,464	19,107	19,050	19,225
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	41,980	40,642	42,470	42,199



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Aug. 8.	Aug. 15.	Aug. 22.	Aug. 29.
8 Chesterfield & N. Derbysh. Bk. Co.	£ 10,421	£ 10,318	£ 10,263	£ 10,561	£ 10,304
9 Cumberland Union Banking Co....	35,395	33,355	34,394	33,621	33,942
10 Coventry and Warwickshire Bk. Co.	28,734	22,992	22,355	22,293	22,890
11 Coventry Union Banking Company	16,251	14,541	15,393	14,825	14,965
12 County of Gloucester Banking Co.	144,352	104,075	105,373	106,364	106,428
13 Carlisle & Cumberland Banking Co.	25,610	24,593	26,078	25,705	25,351
14 Carlisle City and District Bank ...	19,972	19,795	19,675	19,249	19,719
15 Dudley & West Bromwich Bk. Co.	37,696	33,913	37,197	38,113	38,004
16 Derby and Derbyshire Banking Co.	20,093	19,817	19,755	20,026	20,003
17 Darlington Dist. Joint Stock Bk. Co.	26,134	23,171	23,462	24,450	23,921
18 East of England Bank .....	25,025	22,414	23,063	22,325	23,534
19 Gloucestershire Banking Company	155,920	139,129	138,463	139,298	141,371
20 Halifax Joint Stock Bank.....	18,534	17,625	18,204	18,422	17,809
21 Huddersfield Banking Company...	37,354	33,282	36,390	36,861	35,527
22 Hull Banking Company .....	29,333	20,369	20,294	20,686	21,226
23 Halifax Commercial Banking Co..	13,733	12,962	13,789	14,298	13,206
24 Halifax & Huddersfield Union Bk.	44,137	44,622	45,447	41,261	40,566
25 Helston Banking Company .....	1,503	1,470	1,500	1,474	1,425
26 Herefordshire Banking Company...	25,047	22,995	22,418	21,717	21,837
27 Knaresborough and Claro Bk. Co.	28,059	24,951	24,415	23,516	24,245
28 Kingsbridge Joint Stock Bank ....	3,952	2,662	2,561	2,578	2,563
29 Lancaster Banking Company .....	64,311	51,616	50,908	51,094	49,827
30 Leeds Banking Company .....	23,076	22,999	23,045	23,204	22,195
31 Leicestershire Banking Company...	86,060	59,380	59,901	60,055	59,385
32 Lincoln and Lindsey Banking Co.	51,620	44,133	43,042	45,957	47,125
33 Leamington Priors and Warwick- shire Bank .....	13,875	10,486	9,609	8,960	8,981
34 Ludlow and Tenbury Bank .....	10,215	9,178	9,694	9,791	10,000
35 Moore & Robinson's Notts. Bank...	35,813	34,643	31,919	32,238	35,064
36 Nottingham and Notta. Banking Co.	29,477	27,070	27,001	26,067	26,422
37 National Provincial Bk. of England	442,371	413,050	412,322	413,824	411,930
38 North Wilts Banking Company ...	63,939	37,684	39,208	41,229	41,774
39 Northamptonshire Union Bank ...	84,356	76,743	76,560	75,014	77,943
40 Northamptonshire Banking Co. ....	26,401	18,725	17,796	17,082	18,282
41 North and South Wales Bank.....	63,951	54,351	54,195	54,566	54,820
42 Par's Leicestershire Banking Co....	59,300	44,392	44,812	44,510	44,909
43 Saddleworth Banking Company ...	8,122	2,312	2,398	2,273	1,873
44 Sheffield Banking Company.....	35,843	36,654	36,636	34,110	34,291
45 Stamford, Spalding & Boston Bk. Co.	55,721	45,615	46,810	47,667	48,851
46 Stuckey's Banking Company .....	356,976	319,560	317,677	319,880	323,323
47 Shropshire Banking Company.....	47,951	43,206	44,090	43,370	45,904
48 Stourbridge and Kidderminster Bk.	56,830	56,129	56,830	56,299	56,035
49 Sheffield and Hallamshire Bank ...	23,524	23,720	23,562	22,664	21,730
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,304	52,608	53,038	51,642
51 Swaledale and Wensleydale Bank..	54,372	44,160	43,550	44,059	45,028
52 Wolverhampton & Staffordsh. Bk..	35,378	35,276	37,564	36,476	31,190
53 Wakefield and Barnsley Union Bk.	14,604	14,068	13,811	13,377	13,435
54 Whitohaven Joint Stock Bank ...	31,916	25,875	25,400	25,566	26,244
55 Warwick and Leamington Bk. Co.	37,124	26,786	25,746	25,818	25,468
56 West of England and South Wales District Bank.....	83,535	69,473	69,126	67,618	67,498
57 Wilts & Dorset Banking Company	76,162	74,503	75,262	74,856	70,758
58 West Riding Union Banking Co....	34,029	33,169	32,940	32,407	31,249
59 Whitechurch and Ellesmere Bk. Co.	7,475	4,330	4,320	4,328	4,148
60 Worcester City and County Bk. Co.	6,848	7,055	5,998	6,409	6,191
61 York Union Banking Company ...	71,240	65,835	65,235	67,125	66,290
62 York City and County Banking Co.	94,695	83,724	83,628	81,924	82,161
63 Yorkshire Banking Company .....	122,532	121,419	122,439	123,094	118,261



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	Aug. 8.	Aug. 15.	Aug. 22.	Aug. 29.
155 Private Banks.....	£4,457,407	£3,463,484	£3,465,378	£3,456,980	£3,479,405
63 Joint-Stock Banks..	3,302,357	2,901,779	2,906,371	2,894,534	2,900,418
<b>Totals</b> .....	<b>7,759,764</b>	<b>6,365,263</b>	<b>6,371,749</b>	<b>6,351,514</b>	<b>6,379,823</b>

*Average Weekly Circulation of these Banks for the month ending August 29th:—*

Private Banks .....	£3,466,312
Joint-Stock Banks .....	2,900,775

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above. £6,367,087*

On a comparison of the above with the Returns for the month ending 1st August last, it shows:—

A decrease in the notes of Private Banks, of .....	£106,603
A decrease in the notes of Joint-Stock Banks, of .....	88,350
<b>Total decrease on the month.....</b>	<b>£194,953</b>

And, as compared with the month ending August 8th, 1856, it shows—

A decrease in the notes of Private Banks, of .....	£95,322
A decrease in the notes of Joint-Stock Banks, of .....	18,001
<b>Total decrease, as compared with the same period of last year .....</b>	<b>£113,323</b>

The following is the comparative state of the circulation, as regards the fixed issues—

The Private Banks are below their fixed issues.....	£991,095
The Joint-Stock Banks are below their fixed issues.....	461,582
<b>Total below the fixed issues .....</b>	<b>£1,392,677</b>

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 29th day of August, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	1,958,775	1,165,500	3,124,275	788,748
Provincial Bank of Ireland	927,667	398,644	539,071	937,715	337,853
Belfast Bank .....	281,611	79,187	304,482	383,670	276,967
Northern Bank .....	243,440	45,105	212,545	257,650	151,646
Ulster Bank .....	311,079	65,840	312,963	378,803	132,519
National Bank of Ireland...	852,269	589,404	553,295	1,142,697	557,682
<b>TOTALS (Irish Banks) ...</b>	<b>6,354,494</b>	<b>3,136,953</b>	<b>3,087,856</b>	<b>6,224,810</b>	<b>2,245,415</b>

### SCOTCH BANKS.

Bank of Scotland .....	300,485	119,146	250,941	370,087	130,299
Royal Bank of Scotland ...	183,000	88,492	153,570	242,063	111,337
British Linen Company .....	438,024	154,428	285,147	439,576	152,597
Commercial Bk. of Scotland	374,880	143,175	298,196	441,371	139,971
National Bank of Scotland..	297,024	102,825	208,456	311,281	87,757
Union Bank of Scotland and Banking Com. in Aberdeen	454,346	182,774	367,340	550,114	163,302
Edinburgh & Glasgow Bk...	136,657	61,288	90,624	151,912	39,216
Aberdeen Town and Co. Bk.	70,133	41,068	73,180	114,248	57,742
North of Scotland Bk. Co...	154,319	77,485	99,160	176,645	60,412
Dundee Banking Company	33,451	14,558	24,529	39,088	14,089
Eastern Bank of Scotland...	33,636	15,785	25,050	40,835	15,057
Western Bank of Scotland..	337,938	134,894	312,734	447,628	186,802
Clydesdale Banking Co. ...	104,028	48,000	103,439	151,439	60,762
City of Glasgow Bank .....	72,921	134,675	197,104	331,779	294,427
Caledonian Banking Co. ...	53,434	23,821	48,429	72,251	33,115
Central Bank of Scotland...	42,933	16,978	35,701	52,680	29,126
<b>TOTALS (Scotch Banks)...</b>	<b>3,087,209</b>	<b>1,359,392</b>	<b>2,573,600</b>	<b>3,932,997</b>	<b>1,576,011</b>



## CIRCULATION RETURNS.

### SUMMARY OF IRISH & SCOTCH RETURNS TO AUGUST 29, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 29th August, when added together, give the following as the average weekly circulation of these banks during the past month, viz. —

Average Circulation of the Irish Banks... £6,224,816  
Average Circulation of the Scotch Banks 3,932,997

Total Average Circulation of these Banks for the past month ..... £10,157,807

On comparing these amounts with the Returns for the month ending 1st August last, they show—

Decrease in the Circulation of Irish Banks £208,898  
Decrease in the Circulation of Scotch Banks 59,490

Total decrease on the month ..... £268,373

And, as compared with the month ending August 30th, 1856, they show—

Increase in the Circulation of Irish Banks £192,982  
Decrease in the Circulation of Scotch Banks 2,453

Total increase on the year..... £174,599

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows:—

6 Banks in Ireland, allowed to issue... £6,254,494  
16 Banks in Scotland, allowed to issue .. 3,987,299

22 Banks in all, allowed to issue..... £9,441,793

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are below their fixed issue .. £129,684  
Scotch Banks are above their fixed issue 845,798

Total above the fixed issue ..... £716,104

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks £2,245,415  
Gold and Silver held by the Scotch Banks 1,576,611

Total of Gold and Silver Coin ..... £3,821,426

Being a decrease of £18,766 on the part of the Irish Banks, and a decrease of £19,595 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

### CIRCULATION OF THE UNITED KINGDOM TO AUGUST 29, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 29th August, 1857:—

Circulation of Notes for the Month ending 29th August, as compared with the previous month:—

	Aug. 1.	Aug. 29.	Increase.	Decrease.
Bank of England .....	£19,856,896	£19,368,311	—	£487,585
Private Banks .....	2,572,915	2,466,312	—	106,603
Joint-Stock Banks .....	2,989,034	2,990,775	—	89,229
Total in England .....	25,417,845	25,785,398	—	682,447
Scotland .....	3,992,477	3,932,997	—	59,480
Ireland .....	6,433,765	6,324,810	—	208,995
United Kingdom.....	£36,844,087	£35,093,205	—	£950,882

The comparison of the month ending August 30th, 1856, with the month ending August 29th, 1857, shows a decrease in the Bank of England circulation of £695,564, a decrease in Private Banks of £95,322, and a decrease in Joint-Stock Banks of £18,001; being a total decrease in England of £808,887; while in Scotland there is a decrease of £8,453; and in Ireland an increase of £182,982. Thus showing that the month ending 29th August, as compared with the same period last year, presents a decrease of £808,887 in England, and a decrease of £634,358 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending August 29th, gives an aggregate amount in both departments of £11,318,594. On a comparison of this with the Return for the month ending August 1st, there appears to be a decrease of £283,391; and a decrease of £1,124,766 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 29th August, was £3,821,426; being a decrease of £38,351 as compared with the return of the previous month, and an increase of £9,125 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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NOVEMBER, 1857.

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## BANKING IN GERMANY.

BEFORE entering upon the subject of our present heading, it may be well to supply a deficiency in a previous number, as follows:—

In the notice of Scandinavian banking, in the number for August, it was stated that we had (then) "no data to show the capital stocks of paid-up specie or other values or securities equivalent," upon and with which the two banks of Stockholm "work all their operations of circulation, discounts, and exchanges," each of them being banks of issue. So far as the state bank of Sweden, one of the two, is in question, we are now enabled in some measure to supply the deficiency. From an incomplete statement of its operations, now some years old, we learn that its note circulation then amounted to 30,000,000 rix-dollars banco, the rix-dollar banco being equal to about 20*d.* sterling. Against this amount the bank had in its vaults 20,000,000 rix-dollars in gold and silver, and in its strong box 25,000,000 in available securities, thus showing a surplus of fifteen millions of assets against the liabilities of circulation. The latter therefore was amply provided for by the possession of metallic funds alone for two thirds of its amount, when according to banking rules and experience one third in hand should suffice for ordinary service; and this above all in Sweden, where, as on a former occasion shown, a bank paper currency was so generally accredited, and for all internal purposes so almost exclusively in use among the people. This state bank is, we find, under the direct control of deputies elected by the states general in Diet, and is bound to exchange its notes on demand for gold or silver, at the rate fixed once for all by that body, as formerly particularized. In the case of a financial deficiency as between revenue and expenditure, it comes in aid of the state exchequer to redress the balance out of such portion of the active capital as shall be in excess of the amount which was



primarily assigned to it on the foundation of the establishment. Such excess could of course be the creation of profits only, so that here we have a really national bank, worked for the service and profit of the state. It may be added, that the finances of Sweden are in excellent order, and that financial deficits are not of common occurrence, but the reverse, as more generally the income has been not inconsiderably in advance of the expenditure. But when a deficit is actually established, it is covered by transfers from the fiscal savings of past years husbanded for that end, and for national improvements, and administered under a special department of the Treasury, to which, as before said, a portion of the profits of the state bank is also applied in aid. There is, unless very recently there may have come to be, no national debt. There is no country in Europe where the taxation is so light, more so even than in the United States, and yet enormous sums have been expended within the last forty years out of fiscal savings, &c., in the construction of canals, the removal of obstructions in rivers, in navigation, the erection of piers, and the extension and improvement of the defences of the seaboard. Railways, as is known, the state has until now, judiciously thrown open to foreign enterprise and the co-operation of foreign capital.

It augurs creditably for the general solidity of capital and industry in Germany, that so far no considerable catastrophes have followed upon the *bankfieber* which raged there during the last and for several months of the present year. But it would be too much to expect an entire and ultimate exemption from the usual consequences, the inevitable reaction, of a monstrously exaggerated speculation. We may, indeed, and it is to be hoped we shall not have any repetitions there of the Royal British and Eastern banking delinquencies here, or of stock exchange failures on the gigantic scale of the Messieurs Place and Thurneysen, of *crédit mobilier* notoriety, in Paris. The scope of banking business alone is, indeed, not yet large enough, bank customers do not embrace so wide a circle, in Germany, as to admit of malversations and mismanagement on so great a scale. Nor are there any stock exchanges throughout that land of divided and subdivided sovereignties which, like those of Paris and London, could afford equal facilities for operations in stock and shares of such a magnitude as might involve the probable recurrence to the same individual extent of similar speculative disasters. But although isolated cases of such signal failure and sinister practices may not be forthcoming, like baleful meteor-signs of the times to figure in the page and "point the moral" of history, yet can it not be doubted that



this bancomania will wind up with a deplorable balance-sheet of properties wrecked and prospects ruined among the more humble and less pretending classes of adventurers. Countless may be the sufferers in whole ranks of industry and agriculture of mark too unimportant to figure in the "*Gazette's* pompous tale," too lowly even to call for a passing record in "*City Articles*." Sincerely do we hope that the capitalists, the merchants, manufacturers, and landed property classes of Germany may pass through the trying ordeal with the national character still unstained by any glaring departures from the paths of honour and rectitude, however the sobriety and intelligence of that character may, in evil hour, have been surprised into conjunction with the treacherous delusions of the gold-transmuting powers of bank paper promise schemes of the day.

Long unseduced by the showy fortunes which seemed to crown all the projects, however numerous, and all the frequenters of the Paris Bourse, regarding them even with a pity akin to contempt, German apathy by degrees gave way before the apparent evidences of continued yearly success, until at length, and on the joyful announcement by telegraph of the adoption by Russia of the four points, the "itching palm" which had then succeeded to indifference began to inflame the whole body to fever heat. "Germany," says Herr Horn, "had never shone, in the economical sphere at least, by the spirit of initiation and the hardiness of conceptions; and, nevertheless, all at once projects of the grandest, and enterprises the most adventurous, made their appearance. No one had heard her complain of the plethora of capitals, in the employment of which she was known for that matter to be very cautious, yet behold her from one day to another throwing millions and hundreds of millions (of thalers) at every call into the market. Renowned from all time for not seeking to progress except by industry and economy, she was suddenly seized with the immoderate desire of making fortune at eyesight. Bank projects started up by dozens from all corners of the thirty-seven German States, and notwithstanding the impediments which they thus raised between themselves, notwithstanding the obstacles they encountered in the partition of Germany and in her restrictive laws, a good number of these projects, hatched by steam, were and are realized with an astonishing facility."

Every town or city, however small, had of course its pretensions, and many of them their bank or banks. Projectors had only to consult the map and stake out a town and district. Thus Meiningen, with a population of 6,000, must have its bank; so also Gera, the capital of the principality of Reuss,



with its 9,000 odd of inhabitants; Dessau, with its less than 12,000; Gotha, with its 14,000. The potentates of these duodecimal (*Duodez-Staaten*) states, as well as their betters of imperial and kingly standing, were not less astute than the projectors who sought their patronage, and whose schemes could not be carried on without it. Share premiums, the grand object, could only be realised by the latter upon a groundwork of privileges which should tempt share subscribers, such as the exclusive or other rights of creating paper money. Leaving them to their shares and premiums, the sovereign princes took care to exact a handsome bonus for privileged concessions and charters.

It was thought a wonderful proof of national prosperity and of national confidence in the Governments, as indeed it was, when double and triple the amount of the loans required by France and Austria within the last few years were eagerly applied for and subscribed. But banks had a far grander triumph. About the autumn of last year the great city of Hamburg, among others, was surprised with the simultaneous appearance of two new bank projects. One of these, the *Vereins Bank*, presented a capital of 15 millions of marcs for public subscription, and received applications for 600 millions. The other, the *Nord-Deutsche Bank*, for a capital of 8 millions of marcs only required, had subscriptions offered for 1,591 millions. The same facts, as we are assured by Herr Hertz as well as by Herr Horn, were everywhere repeated. And they refer to banks alone, irrespective of the numberless railway, mining, and other projects with which Germany was inundated during the same period, and by which also she can scarcely fail to be embarrassed.

Northern Germany has largely shared in these new bank creations in addition to her previously existing banking establishments, whilst independent branch extensions of State or national banks have been concurrently progressing and established. Some of these and the other German banks are, it must here be observed, connected with, if not founded upon, railways. At Frankfort on the Oder, and Hanover, at Bremen, Lubeck, Stettin, Rostock, Hamburg, Brunswick, and Konigsberg, with other towns and ports of the north, banks have sprung into existence, if not all actually carried on, equally and the same as at Vienna, Berlin, Leipsig and Frankfort-on-the-Maine, Darmstadt, Bavaria, Baden, Wurtemberg, &c., in Central and Southern Germany; many, if not most of them, with powers of issue. It would be idle to speculate at present upon what would seem the probable if not inevitable result of such a confusion of paper money signs or values jostling each other in



the markets, supposing even that all the banks entitled shall exercise their powers of issue with a degree of moderation scarcely to be anticipated, in view of the prodigal promises of golden profits held out to shareholders hungering after tens per centages of dividends. The fact, for such we believe it to be, may be conceded that Germany stood greatly in need of a large extension of banking facilities for the aid and advancement of her industrial, financial and agricultural interests, but the danger which now threatens is the enormous excess of a supply out of all proportion with any legitimate demand. Genial showers serve to fertilise and ripen, but torrents and floods devastate and destroy the harvest. Large, noble and landed properties are well served by the great land banks, whose notes and securities deservedly enjoy much credit, and circulate alone to the extent of more than forty millions sterling throughout Germany. It is the smaller class of landholders who should mainly be benefited by improved credit and the resource of banking facilities.

We have not now the means, if perchance even they yet exist, for verifying or ascertaining to the present time the progress of bank note circulation under the new and extraordinary development of German banking. But from the data collected and given by Herr Horn of an official and quasi-official character, we learn that on the 1st of January, 1856, the state paper money then in circulation in Germany exceeded slightly the sum of two hundred millions of francs, or in sterling millions. This was separate from and independent of the issues of State or national banks; for many of the states are direct issuers on their own account. The separate issues are thus stated:—

Prussia for	-	-	-	115,658,800 francs
Saxony Royal	-	-	-	30,000,000 „
Grand Duchy Baden	-	-	-	15,692,915 „
The Two Hesses	-	-	-	16,803,573 „
Austria	-	-	-	1,542,880 „
Wurtemberg	-	-	-	6,428,575 „
Holstein	-	-	-	6,750,000 „
And the other states	-	-	-	7,285,577 „

Altogether 200,162,820 francs, or say £8,006,493.

At the same date in 1856, the aggregate of the authorised general banking circulation of Germany already in increase, was stated, taking round numbers, at 1,290,000,000 francs, or £51,600,000. The tabular statement per state and city will be found in the May number of the Magazine. The following



table of the construction, with accompanying calculations, of Herr Hubner, will serve to show the extraordinary rate of the increase of paper money, and "money of paper," (state issues we suppose, as it is subsequently treated as paper *not funded*) already in the eight years from 1846 to 1854. But no correct or approximate comparison can be instituted between 1854 and the year 1856 as given above, because this table gives the paper circulation only *not* covered by metallic values in hand; whilst also there is no account of the state issues separate from the general bank issues. The document is, however, both curious and instructive so far as it goes.

Comparative circulation of the following countries.

		1846.	1854.	Increase.
		Francs.	Francs.	Francs.
Germany	- -	243,499,575	1,066,385,990	822,886,415
Russia	- -	649,203,465	918,132,345	268,928,880
France	- -	52,274,155	283,307,910	181,033,755
Great Britain	- -	723,633,825	843,411,675	119,777,850
United States	- -	357,414,365	724,379,070	366,964,645
Totals	- -	2,026,625,385	8,785,616,980	1,759,591,545

"The general increase (says Herr Hubner) is thus nearly 87 per cent., and it descends even for England below 17 per cent., whilst in Germany it attains the proportion, enormous for a space of eight years, of 339 per cent. The part of Germany in the totality of paper not funded, which was but 12 per cent. in 1846, ascended to 28 per cent. in 1854; and upon the 1,760 millions of francs by which the circulation of paper money and money of paper had increased in the eight years, Germany contributed for herself alone more than 823 millions, or above 47 per cent."

It is proper to state that the foregoing brief notes upon German banking were prepared for, and should have appeared in our last number, but were unavoidably postponed from the overflow of more immediately pressing matter. It will be understood, therefore, that although we could not but see that the clouds were gathering and darkening the financial horizon, yet that we must necessarily be unaware of the storm so soon to follow, and which is now desolating credit in Germany. Banking and industrial ruins have already marked its course; let us hope that its fury is now spent, with no further damage to the social system than the lassitude by which it must be weakened, but which in the end will come to be amply compensated by the



experience which shall teach the more wary navigator, in search of a haven of wealth and security, to shun the shoals and quicksands, however gold-sparkling, of delusive speculation, on which this craft, freighted with the hopes and happiness of an industrious life, was formerly cast away.

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#### THE LIVERPOOL BOROUGH BANK,

ONE of the consequences of the recent troubles in the money market, has been the announcement of the liquidation of the Liverpool Borough Bank. The first intimation of its difficulties was made on the 26th of October, when an application to the Bank of England for assistance was considered necessary. It was understood, that the application had been favourably entertained, and that a liquidation would be forthwith carried out. The announcement first appeared in the London Journals, and it having taken the Liverpool people by surprise, a partial panic was created on the 27th.

At 11.50, it was noticed that the doors of the bank were being closed and a crowd collected awaiting the posting of some announcement of the directors.

Presently the following notice was posted on the doors :—

"An application to the Bank of England for a loan has been acceded to by that institution, but, pending the completion of the details of the arrangement entered into, this bank is compelled to close the doors to protect the interests of the depositors; but the directors expect to resume business immediately.

"Oct. 27., 1857."

In a little more than half an hour another notice, purely of a local nature, was added. It ran as follows :—

"The draughts of the Northern Company of Belfast will be paid by the Bank of Liverpool."

Later in the day another notice to the following effect was posted :—

"The public are informed that arrangements have been made and will immediately be completed with the Bank of England for an advance, which will enable the Borough Bank to reopen on Friday next and discharge all its liabilities."

On the morning of the 28th, the annexed notice was issued, which showed that the report circulated of the arrangement not having been carried out was correct :—

"The arrangement with the Bank of England not having been completed the business of this bank will not be resumed until further notice.

"T. SELLAR, Manager."

This bank was established twenty-one years ago, with a capital of £950,000, and its reserve fund has lately been stated at £101,202. It is affirmed that the investigation which must now take place into affairs, will develop a most unsatisfactory system of management, and show that advances have been made to individuals of amounts which could not fail in any period of pressure to lead to fatal consequences.



The last report of the bank announced a reduction of the rate of dividend from 7 per cent. to 5, in consequence of the winding up of 1854 (rendered memorable by the failure of Mr. Oliver and others), but added that the business of the bank was unimpaired, and that certain changes about to be made in its policy and regulations would prevent similar losses for the future.—

#### REPORT OF THE DIRECTORS TO THE PROPRIETORS.

According to the last report, the paid-up capital of the bank was £900,000, and the reserve fund was £101,775 10s. 11d.

Since that date, two calls of £1 per share have been paid upon the new shares, making the capital £1,000,000.

The net profits of the past year, after payment of all expenses of management, and after deducting £45,525 2s. 1d.

for losses by bad debts incurred during the same period,

amount to ... ..	£69,318 12 8
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Appropriated as follows—

3½ per cent. dividend upon £950,000 ...	£33,250 0 0
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2½ per cent. dividend upon £1,000,000 ...	25,000 0 0
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Property tax paid by the bank ... ..	3,629 6 8
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	61,879 6 8
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Balance carried to reserve fund ... ..	£7,439 6 0
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Nearly the whole of the losses above mentioned have been caused by the frauds of a customer.

In winding up the affairs of 1854, a year which it is well known was most disastrous to those customers of the bank who were engaged in the colonial shipping trade, heavier loss has been sustained in the realisation of the assets then taken over by way of security and in the liquidation of estates then considered good, than could possibly have been anticipated.

The directors have thought it their duty at once to reduce the dividend to the rate of 5 per cent. per annum, on the grounds that, taking even the most favourable view of the liquidation of these accounts, the whole of the reserve fund will be required to meet the losses incurred; and that on the other hand, taking the most unfavourable view consistent with probability, the good current business of the bank will, in their opinion, be sufficient to admit of the regular continuance of the dividend, without encroaching on the capital at the same period in the coming year.

#### THE ADVANCE IN THE BANK'S RATE OF DISCOUNT.

ANOTHER crisis has occurred, and appearances are altogether unfavourable. The sudden revolution which has followed in the state of financial affairs, has created a good deal of alarm, but there is still much steadiness in the aspect of trade; though if any recovery can be effected, it will take a period of time to bring about the change. Last month, however, when *The Times* and the *Daily News* regarded the progress of affairs with less concern than ourselves, we ventured to intimate an opinion that the value of money was likely to increase the spread of the panic in America, with the unfavourable effect of the revolution—



in India producing great uneasiness. The failures that have since taken place, the disturbed condition of financial relations, both here and on the Continent, and the successive advances in the Bank rate, show how seriously business may be compromised, by the unfortunate change which has taken place. Since October, 1857, when the bank directors felt compelled to advance the rate to 8 per cent., we have never experienced such a rapid augmentation, as during the last three weeks. The condition of the bank accounts, and the prospect of a heavy drain to America, are, however, sufficient to explain the cause of the alteration; on the 8th of October, the rate was raised from  $5\frac{1}{2}$  to 6 per cent.; on the 12th it was advanced to 7; and on the 19th to 8 per cent.

It is questioned whether any further adverse action will be attempted, and, considering all things, the result acquired has been attained. The effect upon trade, although serious in checking its progress, has not been so disastrous as anticipated; and notwithstanding some failures have occurred, they have been produced more through over speculation than legitimate misfortune. The Bank of France have followed the example of the Bank of England, and carried the rate to  $6\frac{1}{2}$  per cent., the first time they have exceeded the limit of 6 per cent., as permitted under their recent privileges. Failures have taken place in Paris, in Italy, and in Austria, but they have not been of consequence, and at present the symptoms of crisis are not extended. While all the other rates of discount on the continent are high, Hamburg having touched 9 per cent., the Bank of Vienna still remains at 5 per cent., but it is thought there will be an advance to 6 per cent., though it may be attended with some suffering to the mercantile community. The difficulty of the Borough Bank of Liverpool, and the appeal for assistance to the Bank of England, which has been granted on the express understanding that the company shall wind-up, constitutes the latest feature in this transient crisis, which, it is hoped, will exercise its influence within a very narrow circle. The following extracts show the effect of the various advances in the rate of discount, and the opinions expressed of our principal daily cotemporaries:—

*The Times*, alluding to the first movement, remarked:—

The Bank of England have advanced their rate of discount from  $5\frac{1}{2}$  per cent., at which it had stood since the 16th of July, to 6 per cent. The suddenness of the renewed drain of gold, which has led to this step, has taken the public by surprise, because they were not prepared for the extraordinary news by the two last American mails. Allowing due weight to that intelligence, there is nothing in the movement to create alarm, although there is a high probability it may soon have to be repeated.



The trade of this country with the United States represents an annual total of £40,000,000; and it is impossible for any financial trouble to occur on one side, without its being deeply felt on the other. During the last two years we have had many opportunities of observing the sensitiveness with which we respond to monetary perturbations in France, but our relations of commerce and capital with that country are altogether insignificant in comparison. A panic in New York therefore, which sends the rate of discount to a point ranging between 20 and 50 per cent., and which is continued with intensity for five or six weeks, must necessarily subject us to severe temporary pressure; and if the inconvenience should be limited to a rise of a half or even one per cent. in the value of money, we shall have reason to congratulate ourselves, and to accept the fact as another proof of the inherent soundness of our general position. Of course the American failures must have told heavily on individual houses on this side, and there are also several branches of costly produce which have experienced wide fluctuations that may disturb the casual fortunes of speculators. There are likewise, at all times, a number of infirm establishments, carrying on their business from hand to mouth, to whom a rise of half per cent. in the rate of discount after any long period of pressure is an inevitable sentence of destruction; and it is usually at the end of the year that such cases are developed. But as regards the broad trade of the empire, it is impossible to discern a cause of fear.

*The Morning Herald* observed:—

This measure was not unexpected, owing to the late heavy withdrawals of gold, the unfavourable nature of the advices from the United States, and the advance in the value of money on the Continent. These combined circumstances were calculated to induce the adoption of restrictive measures; and it will be satisfactory if the upward movement does not make further progress. The date of the previous alteration was the 16th of July, when a reduction of from 6 to 5½ per cent. took place. Then the stock of bullion was steadily increasing, through the influx from Australia and America, and the prospect of affairs in other respects was not discouraging. The serious nature of the Indian revolt has, however, since become more manifest, the receipts from Australia have diminished, and the panic, which, commencing in New York, has now reached Philadelphia and Baltimore, will, in all probability, lead to additional banking derangement and mercantile distrust. To increase the gloom, an advance in the rate of discount at Berlin, Hamburg, and Frankfort, has recently occurred, and it is further alleged that, notwithstanding recent purchases, the aggregate amount of specie in the Bank of France will, by the present return, exhibit a decline. The course therefore pursued is one dictated by prudence; and the policy presented has not encountered much opposition. The announcement itself did not occasion great surprise; and although some effect was produced on public securities, the decline was accelerated by a variety of unfavourable rumours circulated during the later hours of business. Failures, both in London and the provinces, were stated to have taken place; but although at Manchester and Liverpool credit is not considered altogether sound, there was no positive confirmation of the assertions made. The great heaviness which pervaded the various markets occasioned increased anxiety, particularly as symptoms of recovery were not apparent in any direction.

With regard to the movement the *Daily News* stated:—

The step adopted by the Bank was generally anticipated, and the next



return will doubtless show that, in face of the extraordinarily severe drain to which the institution was subjected last week, the directors had no alternative. Indeed, in consequence of the decidedly adverse tendency of the money market throughout the Continent and in the United States, a rise here was inevitable. In addition to the movements already recorded, the Bank of Amsterdam on Wednesday raised its rate of discount from 5 per cent. (to which it was advanced on the 16th ult.) to  $5\frac{1}{2}$  per cent. At Hamburgh on Wednesday the current rate was as high as  $7\frac{1}{2}$  per cent. Somewhat singularly, the Paris market is the slowest to respond to the upward movement, but is now becoming influenced. A few weeks ago bills could be discounted in Paris at  $4\frac{1}{2}$  to 5 per cent., but no business is now done under the minimum rate of the Bank of France, viz.,  $5\frac{1}{2}$  per cent. It is broadly stated that the French government have recently urged upon the Bank council the adoption of measures of relaxation, and to their interference is ascribed the reduction of the margin for loans on stocks and shares. It is very probable that the speculators will not long enjoy these more extended facilities. The question of immediate interest is, will the rise in the value of money in the London market make further progress? Upon this point no one can speak positively; but in many well-informed quarters we find an impression gaining ground that still higher rates will prevail this autumn. In every quarter yesterday, including the Bank itself, there was a very heavy demand for accommodation at the advanced rates. In Lombard Street only the best bills could be discounted at 6 per cent. It is satisfactory to remark that no more gold was withdrawn from the Bank for exportation; but this may be partly owing to the arrival of a large supply of the precious metal *via* Egypt. Following the movement at the Bank, the Lombard Street discount houses have raised the rate allowed for deposits  $\frac{1}{2}$  per cent. The rates are fixed until further notice at  $5\frac{1}{2}$  per cent. "at call," and  $5\frac{1}{2}$  per cent. at seven days' notice. The joint-stock banks have also increased the allowance on deposits from  $4\frac{1}{2}$  to 5 per cent.

On the second movement, the *Times* observed:—

The Bank of England yesterday raised their rate of discount from 6 per cent., which was adopted on Thursday last, to 7 per cent. This measure was fully anticipated, and, from the extent of the applications yesterday, it is doubtful if a further movement will not immediately be found necessary. With present prospects, a fresh advance can scarcely be avoided, and perhaps we may again see the rate at 8 per cent., the highest point it has ever reached during modern experience, and at which it stood in October, 1847. In proportion, however, to the suddenness of the pressure, will be the rapidity of the ultimate reaction; and as on that occasion the rate within a year afterwards went back to 3 per cent., there will in the present case be reason to look for an extraordinary turn of the tide as soon as the immediate difficulty shall have been completely met. The sole cause for anxiety is lest the fall of such houses in the provinces and elsewhere as are unavoidably compromised by the American failures, and the fluctuations in the markets for Eastern produce, should beget any vague terror calculated to lead even to a single day of general distrust. The belief is, however, that the decided action of the Bank has removed all danger on that account. Altogether the feeling exhibited was such as to excite pride in our healthful system of finance, and to confirm the impression that, although this shock from America has come upon us in the midst of the Indian mutiny, we shall be able to withstand it, so that its consequences, heavy as they must necessarily be, shall not destroy confidence or interrupt the general welfare of the country.



*The Morning Herald* remarked :—

There was a general panic in the City, and the appearance of business greatly assimilated to that which was experienced in the memorable period of 1847. A sudden, although not unexpected, advance in the rate of discount to 7 per cent., and a heavy decline in the value of public securities, produced, as may well be imagined, great depression, and, notwithstanding the principal features of the Overland telegraph were viewed as satisfactory, they failed to arouse confidence or mitigate the pressure caused by various other contingencies. The chief source of alarm is evidently the American crisis, together with the rapid increase which is taking place in the value of money throughout Europe, while a continuance of the drain to the East, promoted, as it must be, by unfavourable exchanges and a scarcity of capital, will heighten the anxiety already apparent. The adoption of vigorous measures to arrest the efflux of specie, under existing circumstances, was essential, and it is hoped that the course pursued on this occasion will prove effective; but it is not impossible that additional restrictions may hereafter be imposed if the advice by the next mail from the United States should be unfavourable. The terms of 7 per cent. apply to bills having 95 days to run, but in the case of brokers the arrangement for assistance must be made from day to day. Stringent as the measure appears to be considered by some parties, the exigency of the moment seems to have warranted the alteration, and at the close of the afternoon a less unsettled feeling pervaded the various markets. The English Funds suffered a decline of 1½ per cent., though at one time it in reality amounted to about 2 per cent., and Turkish and several other foreign securities were seriously affected. Railway shares, however, exhibited less fluctuation, and considering the position of business, presented no extensive depreciation. Reports of failures, arising through American liabilities, were freely current during the day; but they were solely confined to provincial houses, whose engagements, with one or two exceptions, will not, it is believed, be important. What will be the effect of the fall, now the settlement is approaching, is a question of some consideration to the members of the Stock Exchange.

On this advance the *Daily News* observed :—

An immense sensation was excited in the Stock Exchange, and throughout the City, by the announcement that the directors of the Bank of England had raised the minimum rate of discount from 6 per cent., at which it was fixed on Thursday last, to 7 per cent. for first-class bills up to the usual limit of 95 days. This is the highest rate known since 1847, and the rapidity with which the alteration has been made, sufficiently indicates the opinion entertained by the Bank authorities of the extraordinary character of the emergency. This opinion, too, is clearly shared in general circles, for in no quarter entitled to regard are the Bank directors subjected to the accusation of acting with undue harshness. The pressure upon the institution for money, last week, and especially on Saturday, was of the most extraordinary—indeed, almost unprecedented—kind, and the stock of coin and bullion was likewise seriously trencched upon, partly for exportation, and partly to supply the necessities, or relieve the anxiety, of country bankers. The drain, moreover, continues almost unabated up to this time. The demand for discount accommodation at the Bank yesterday was extremely heavy, and almost equal to that witnessed on Saturday. In bar gold only about £9,000 was yesterday withdrawn from the institution; but we are assured, on good authority, that a sum of 400,000 sovereigns is already actually engaged for shipment to the United States by



an early opportunity. This is naturally to be looked for as a result of the fall in the American exchange, which has now made such progress as to allow of a profit on remittances of gold to that side. The American advices at the same time indicate how confidently houses there look to this country for substantial relief in the shape of gold. The Bank directors evidently had no choice but to act as they have done. They will now probably pause, to await the result of the measures already adopted; but, should these prove inadequate to the occasion, they will not hesitate to make a fresh advance. Much depends upon the way in which the mercantile community accept the present serious crisis. Though there is much ground for anxiety there is none for alarm, since the general soundness of the trade of the country is universally admitted, and the instances of embarrassment which are naturally to be apprehended, will doubtless be inadequate to affect our general position.

On the third movement, the *Times* said :—

The Bank of England have to-day raised their rate of discount from 7 per cent., which was adopted on Monday last, to 8 per cent. This step is solely in consequence of the American news. According to the latest dates, the rate of exchange, even for the best bills, had fallen to a point which would give a very large profit on gold from England; and although, owing to the possibility of a sudden rebound, speculators on this side might hesitate to undertake the operation to a heavy extent, the amount of bills transmitted from New York, with direct orders for returns to be made in specie, coupled with the sums being despatched by our capitalists for the purchase of securities, involve the certainty of a further drain, against which the most prompt precautions were requisite. The rate now reached is equal to the highest known in modern times, and our only experience of it was for four weeks from the 25th of October, 1847, when the railway panic attained its climax, and Consols were down at 80, the Bank bullion having been reduced to £8,312,000 and the reserve to £1,547,000. In the present instance it is unlikely that the pressure will last even as long as four weeks, but, as our condition must depend upon the course of the American disorder, and it is impossible to conjecture what may be the next turn of frenzy, we must hold ourselves prepared for all contingencies. Among the considerations on the favourable side was the fact that the stock of specie in the New York banks still stood at £2,280,000, which is beyond its average amount, and more than £500,000 in excess of the total held at the corresponding period of last year, while their note circulation was less than at that time. The Californian arrivals of about £250,000 each fortnight would also be retained, and in less than a week the Vanderbilt would be due from Havre with, it was believed, £200,000, to be followed shortly by the £320,000 lately despatched from London and Liverpool. Against these prospects, the only alarming point is the possibility of the run upon the banks for hoarding purposes, which had already assumed disagreeable proportions, becoming altogether ungovernable. As a general rule, there ought, among a sound mercantile community, to be no terrors in 8 per cent., or any other rate of discount, supposing it not to have been occasioned by a reckless course of national extravagance, and hence there is reason to believe that the announcement of to-day will be received throughout the country, as it has been in the metropolis, without the slightest indication of confusion or alarm.

The *Morning Herald* remarked as follows :—

A week only has elapsed, and the Bank directors have advanced the



rate of discount from 7 to 8 per cent. Necessitated by the unfavourable nature of the advices from New York, they have now placed the minimum terms for the negotiation of first class paper at the same elevation at which it stood in October, 1847, when the bullion had descended to £8,312,000. According to the last Bank return, the total was £10,110,000, and although it is now considerably lower, it has not yet fallen to the former point. The circumstances which, however, guide the directors are no doubt well considered, and the description furnished by the American advices of the state of business throughout that country must prepare them for a heavy drain of specie. It is this very contingency which has induced them to follow out a policy so restrictive, the demand having latterly greatly augmented. The letters to-day were even more discouraging than those previously received, and the fact that applications were made for the withdrawal of a large amount of sovereigns caused the court to determine upon the extreme measure. With the exchange in such an unfavourable condition, and the alarm produced by the continuous expansion of disaster, it is rather surprising that the shipments have not been on a more extensive scale than those announced by the Persia. The steamers on Wednesday and Saturday next, will probably take out large amounts, and, indeed, it is said that provision has been made for about £600,000. But if this American drain were the sole alarming feature less apprehension would be excited than that which at present exists. The remittances to the East continue on an extensive scale, and, in addition, the high rates of money on the continent, which cannot but be attended with serious consequences, must prejudicially affect trade and embarrass our future progress. Symptoms of collapse in Germany have been exhibited, which would entail distress if they were to spread; and since the unsafe foundation raised by the speculative tendency of the age must in its removal affect not only France, but also ourselves at home, preparations against diversity are essential. The Bank of British North America and other institutions will have to send out considerable supplies, while the proceeds of the policies paid on the lost treasure by the Central America are to be forwarded with immediate dispatch. The sudden movement of 1 per cent. is, therefore, fully accounted for, and it is not improbable that hereafter a higher rate may yet have to be resorted to. It was remarkable to notice the absence of unhealthy excitement when the alteration was announced. A change had been expected; but as it did not occur early in the day it was thought the measure would be deferred. When it was in reality mentioned it occasioned a fluctuation of rather more than a half per cent. in English securities, and tended to impart heaviness to the produce markets. The contrast between the effect of the adoption of the same rate in 1847 and 1857 was exceedingly marked, and, although regulated by different circumstances, it did not fail to attract observation.

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#### AUSTRALIAN BANKING.

SOME time has elapsed since we took a complete review of the condition of Australian banking. The fact is that the past twelve or eighteen months in the southern colonies have been marked with no new features of remarkable interest, inasmuch as beyond the development of political strength in connection with the constitutions now being adapted to the thoughts



and ambitions of the people, there has been the same intense excitement for commercial greatness which must always distinguish young communities reflecting the tendencies of the English race, and pursuing with ardour that which is immediately present to their minds. It must never be forgotten who form the great bulk of the colonists. They belong to the most enthusiastic, the most energetic, and the most enterprising members of society. They embody in young natures all which has made this empire foremost in modern times in the arts of peace, in the extension of trade, in the increase of material wealth,—features which, with all their evils, not certainly to be overlooked, have done more in this age than war or conquest, to raise the country to the very pinnacle of greatness, and to surround it with those responsibilities which must always attend power, whether obtained from intellectual supremacy in government, or from that success in the pursuit of riches which is generally the foundation of national importance.

The time has not arrived, nor is this the place to discuss the advantages arising from the political manifestations of Australia. The constitutions granted in the plenitude of imperial authority, whether for weal or woe, have yet to be engrafted on the habits of these rising communities; for at present nought has been produced but change and uncertainty. The men have not shown themselves who can wield the new powers called into existence to further the progress or increase the commercial greatness of Australia. They are trading colonies, with no theories of government, but formed of hard-headed, practical men, each absorbed with the importance of his own affairs, intent on making money, impatient of authority, disinclined to taxation, and determined to run the race with all competitors in moulding public events to private benefit; not simply being the creatures of circumstances, but often creating circumstances to suit individual purposes. Hence as these features are reproduced year after year,—and time has not sufficed to form a settled or native community,—there can be none of those marked eras in the history of Australia which appear in older countries, and give new phases to society and fresh impulses to mankind. It would be trite to tell how wool has increased as an export, or that mineral riches are ever and anon developed, while even the yield of gold, steadily showing its twelve millions annually, has ceased to possess the charm of novelty.

Reflected as the material progress of Australia is in these articles, there are also evidences in the banking statistics which cannot fail to be of interest, and which perhaps, more than other proof, will show the soundness of trade, and the legitimate



position in which industrial and public pursuits generally are now placed. It is of course of little use in these investigations to exclude the value and extent of commerce in reference to financial engagements; but the reverse is equally true, for no correct view can be taken of banking progress, which does not include the large and broad results of a people's daily pursuits, the productiveness of the land, the exportable power of the country, and the profit which accrues from trade generally.

Beginning with New South Wales, the following are the latest returns of the banks there:—

BANKS.	LIABILITIES.				
	Notes in circulation.	Bills in circulation.	Balances due to other banks.	Deposits.	Total Liabilities.
	£	£	£	£	£
New South Wales .....	736,150	7,912	104,025	2,176,344	3,024,431
Commercial.....	197,698	.....	.....	895,341	1,093,039
Australasia.....	97,119	8,519	.....	630,032	735,670
Union of Australia.....	145,966	12,105	74	656,761	814,906
Australian Joint Stock ...	107,865	59,809	11,715	468,703	648,092
London Chartered .....	16,900	1,318	.....	75,226	93,444
English, Scottish, and Australian Chartered ...	33,190	.....	.....	120,279	153,469
Oriental Chartered .....	48,561	10,186	244,388	373,597	676,732
<b>TOTALS, 1857.....</b>	<b>1,383,451</b>	<b>99,851</b>	<b>360,203</b>	<b>5,396,285</b>	<b>7,239,790</b>

BANKS.	ASSETS.				
	Coin and bullion.	Landed Property.	Balances due from other Banks.	Debts due to the Banks.	Total.
	£	£	£	£	£
New South Wales .....	748,108	41,711	329,126	2,582,562	3,701,507
Commercial .....	630,486	16,000	160,634	593,561	1,400,681
Australasia.....	326,344	23,218	4,023	528,695	882,280
Union of Australia .....	166,580	12,492	8,957	552,345	740,374
Australian Joint Stock...	179,961	25,667	31,092	684,542	921,262
London Chartered of Australia.....	56,633	26,084	.....	115,769	198,486
Eng., Scott., and Australian Chartered.....	50,411	14,423	20,914	325,852	411,600
Oriental Chartered .....	160,480	10,795	272,559	293,359	737,193
<b>TOTALS, 1857 .....</b>	<b>2,319,003</b>	<b>170,390</b>	<b>827,305</b>	<b>5,676,685</b>	<b>8,993,383</b>



Comparing four years together, it will be found the following are the features of the most important items in their accounts:—

	1854.	1855.	1856.	1857.
	£	£	£	£
Circulation .....	1,271,000	1,391,000	1,368,000	1,383,000
Deposits .....	4,974,000	5,004,000	5,215,000	5,396,000
Total Liabilities .....	6,491,000	6,642,000	7,124,000	7,239,000
Coin.....	2,518,000	1,816,000	2,405,000	2,319,000
Debts to Banks.....	4,078,000	5,285,000	5,356,000	5,676,000
Total Assets .....	7,632,000	7,922,000	8,975,000	8,993,000

There is great steadiness in these figures; and, allowing for the increased capital of old banks, and the introduction of one or two new institutions, the augmentation of business is such as must naturally arise from the development of the resources of the colony, and the additions constantly being made to the reproductive works, which are the main supports to all young settlements.

In Victoria, there are the following remarkable evidences of progress:—

BANKS.	LIABILITIES.				
	Notes in Circulation.	Bills in Circulation.	Balances due to other Banks.	Deposits.	Total.
	£	£	£	£	£
Australasia .....	564,205	19,276	.....	1,607,746	2,191,227
Union of Australia .....	184,451	13,304	2,183	1,041,443	1,241,381
Victoria .....	581,432	17,346	116,881	1,250,858	1,966,517
New South Wales .....	450,919	1,179	.....	1,037,576	1,489,674
London Chartered ..	242,383	7,335	7,965	290,757	548,440
English Scottish and Australian .....	59,799	.....	.....	207,939	267,738
Col. Bank of Australasia	178,318	2,558	29,717	498,207	708,800
TOTALS, 1857 .....	2,261,507	60,998	156,746	5,934,526	8,413,777



BANKS.	ASSETS.				
	Coin and Bullion.	Landed Property.	Balances due from other Banks.	Debts due to the Banks.	Total.
	£	£	£	£	£
Australasia .....	907,109	59,124	.....	1,637,212	2,603,445
Union of Australia .....	285,628	33,081	307	1,347,952	1,666,968
Victoria .....	717,638	34,038	114,304	1,309,305	2,175,285
New South Wales .....	548,935	42,493	.....	1,074,692	1,666,120
London Chartered .....	251,131	11,620	1,491	589,646	853,888
English Scottish, and Australian .....	72,278	25,906	2,398	210,051	310,633
Col. Bank of Australasia .....	239,080	28,935	89,586	455,941	813,542
<b>TOTALS, 1857 .....</b>	<b>3,021,799</b>	<b>235,197</b>	<b>208,086</b>	<b>6,624,799</b>	<b>10,089,881</b>

Testing the condition of their finance comparatively, there are abundant reasons for congratulating the people of Victoria that they enjoy a position where the elasticity of their resources, and the soundness of their trade, have gone through a rigid scrutiny without indicating more of weakness than might have been expected, or which older countries would have as certainly shown under the same circumstances.

	1854.	1855.	1856.	1857.
Circulation .....	2,089,000	2,191,000	2,149,000	2,261,000
Deposits .....	5,889,000	5,068,000	5,457,300	5,934,000
Total liabilities .....	8,280,000	7,494,000	8,247,000	8,413,000
Coin .....	3,889,000	2,941,000	3,073,000	3,021,000
Debts to Banks .....	5,078,000	6,805,000	5,107,000	6,624,000
<b>Total Assets .....</b>	<b>9,445,000</b>	<b>10,536,000</b>	<b>10,339,000</b>	<b>10,089,000</b>

It will be remembered that the overtrading which followed the discovery of gold in this colony, led to a great expansion of the debts to the banks, and that large insolvencies and extensive embarrassments were the consequence. After this wholesome clearance of the atmosphere, there was a return to prudence; and although it cannot be denied that credit yet largely prevails, and that there is a vast sum of money still due to the banks, no apprehension need be entertained, as long as the sound principles are acted upon of only lending as their resources permit, wisely regulating, as we believe they do, their discounts by their deposits, and at all times preserving a large proportion of their liabilities in specie. The latest returns fully uphold these wise doctrines, and afford convincing evidence that, as now conducted, the banks are in a sound condition.



The affairs of South Australia are in a much smaller compass than those of the other colonies.

BANKS.	LIABILITIES.				
	Notes in Circulation.	Bills in Circulation.	Balances due to other Banks.	Deposits.	Total.
South Australian Banking Company .....	£ 135,689	£ 2,623	£ 20,377	£ 430,983	£ 589,672
Union of Australia .....	35,184	2,946	.....	155,373	193,503
Australasia .....	48,439	2,412	.....	166,983	217,834
TOTALS, 1857 .....	219,312	7,981	20,377	753,339	1,001,009

BANKS.	ASSETS.				
	Coin and Bullion.	Landed Property.	Balances due from other Banks.	Debts due to the Banks.	Total.
South Australian Banking Company .....	£ 211,090	£ 8,561	£ 59,470	£ 598,193	£ 877,314
Union of Australia .....	78,949	7,723	.....	185,295	271,967
Australasia .....	55,099	9,000	.....	227,200	291,299
TOTALS, 1857 .....	345,138	25,284	59,470	1,010,688	1,440,580

It will be understood by those following the intelligence from the southern hemisphere, that this colony being agricultural and pastoral in its pursuits, and not yet possessing gold amongst its exports, although long since sending supplies of Copper to Europe and India, cannot take rank with the other settlements in importance, and therefore its statistics, however good they may be relatively, show affairs of only a limited extent. There are, notwithstanding, in the fluctuations of the following table, many instructive points.

	1854.	1855.	1856.	1857.
Circulation .....	241,000	271,000	216,000	219,000
Deposits .....	1,443,000	1,339,000	709,000	753,000
Total liabilities .....	1,706,000	1,630,000	960,000	1,001,000
Coin .....	1,471,000	1,005,000	461,000	345,000
Debts to Banks .....	310,000	680,000	847,000	1,010,000
Total Assets .....	1805,000	1,756,000	1,361,000	1,440,000

These changes generally arise from the peculiar relationships with the adjacent colonies, from the banks having at times few demands for money, and at other times being largely called



upon for accommodation. This has of late particularly been the case, from the necessity of relying upon the resources of the colony alone, rather than looking for any extraneous assistance.

It is a gratifying circumstance that the general trade between England and Australia has recently been more prudently conducted than was the case in 1853-4. The exports from this country, large though they are, evidently are taken with avidity, showing that the consumptive power has kept pace with production; that increased wealth creates enlarged wants; that better commodities and a higher class of manufactures are demanded where the bulk of the labouring community are rapidly improving in condition, and raising themselves in the scale of civilization. But it is undeniable that, with the present limited population of Australia, there is an excessive amount of capital employed in trade, and it is this which constitutes one of the dangers of its commercial greatness. The figures we have given of the finance of New South Wales and Victoria must be taken, recollecting that nearly the whole of those vast deposits are lodged with the banks without interest, that they are employed in current discounts and loans, and such is the plethoric supply of capital, that it has frequently within the last year or two been cheaper in those colonies than in England. The consequence is, that the imports may always be said to be superabundant, for a glutted market, with its attendant insolvencies, has no sooner been surmounted, than goods are again poured in by those who know the wants of the trade or are desirous of entering into speculations where there is at least the excitement of distance, if not of certain profit. There can be no doubt, that with such rashness and imprudence in trade, the banks have suffered from that which they have often assisted to produce, for their over-weening confidence in men without capital,—but with energy and sanguine faith, as their only recommendation, have entailed upon them and others serious losses, which have added to the disgrace of modern trade, and made Australian commerce too often a reproach. It is not, however, from the damage thus inflicted, but rather in spite of it, that a firm belief should be given to the stability of the banking system, for the abundant wealth and great resources of the colonies, the ease with which all ordinary crises are surmounted, together with the richness of the soil, and the steady labour of the people, are the main points of reliance and the best security for the future.

The recent conduct of the Government, upon their financial proceedings, also contributes to the soundness of the banking system. They are no longer borrowers without security, nor do



they allow their expenditure to exceed their income. The salutary warning recently administered, particularly to Victoria, has had the good effect of keeping in check any extravagant or speculative tendencies, so that we have no large annual deficiencies to be met by assistance from the banks, or unusual outlays of money, diverting capital from the trading channels, and in the end unduly taxing the labour of the community. There are naturally many large, public works either finished or in course of completion, for which money has to be supplied, but they have not diverted capital from trade, for by offering the compensating rate of interest of 6 per cent., it is more generally raised in this country than in the colonies. There are sound reasons for this plan, inasmuch as *there* such rates would not satisfy any investor, except that class who resort to savings' banks, while *here* they prove attractive to those who generally have looked to three and four per cent., particularly as the Government guarantee is given to the obligations issued. These securities are now becoming of some importance, so that it may be useful to contrast their amount with the general position of the colony to which they belong, and the following table will supply the necessary particulars:—

Colony.	Population.	Exports.	Revenue.	Loans.
		£	£	£
New South Wales	290,000	2,275,000	1,072,822	2,084,700
Victoria .....	403,419	14,085,000	2,992,150	2,014,785
South Australia...	105,700	1,365,000	441,500	555,000

It will be allowed from these data that no extravagant amount of securities has, as yet, been issued, and when it is remembered that whatever debt is contracted is entirely for reproductive works, there should be no apprehension with merely ordinary prudence and attention, as to good faith being kept with the holders of the bonds without any undue pressure from taxation. With the opinion already expressed, that it would promote sounder trade in the colonies of New South Wales and Victoria, if there were less floating capital, we rejoice that the Governments there are encouraging small investments in their securities. In the former, debentures are issued as low as £10 each, with, it is said, successful results; and in the latter colony, a scheme recently put forward, suggests an issue of £25 debentures, which cannot fail to be productive of the results so desirable to be attained. Amidst the excitement and political changes, going forward in the colonies, an evident amount of caution is fortunately



manifested as to all plans of finance. It is seen that railroads may be carried too far, that the importation of labour may be pushed to extreme limits, and that borrowed money is not soundly raised if in anticipation of revenue. The safeguard is with the taxpayer. A wholesome resistance to heavy burdens imposed by the State, is at once felt under the working of the new constitutions, and Englishmen who have left their country to escape the fearful inroads made upon industry and talent, are certainly the best calculated and the most likely to be successful in their determination to avoid such evils for the future. No alarm need be entertained upon any measure yet being in excess of actual wants, or beyond the point of prudence. It should therefore, on the whole, be a subject of rejoicing, that in Victoria they contemplate an addition of £6,000,000 to the debenture debt, for the purpose of constructing railroads. What is this amount to the aggregate resources, for one year alone, of the colony? Is it not certain that the money would necessarily soon be expended in making ordinary roads within a short period? These, of course, would soon be useless, and the rails which are now to be laid down, would then be commenced, which are at once to connect some of the richest gold fields with the sea-board of the colony in one direction, and in the other, with the largest internal river which Australia possesses. From whichever point, then, this extension of the iron road is considered, there will be new trade and new countries opened for the benefit of the merchants, and large annual savings be made to the traffic and carriage of produce. There need be no fear that the amount to be raised will disturb the money market of this country, for it will be distributed over the next four years, and even if it is not largely absorbed in the colonies, will soon form a portion of those reserves which capitalists now keep in securities, bearing a good fixed rate of interest, and which, from the scarcity of stock of the English Government, must be sought from our colonial dependencies.

There are valid reasons for keeping sensitively alive to the great and sound principles of banking in these young communities. There are shoals enough from without to make it no easy matter, but if internal dangers arise from any deviation of those unfailing maxims which have carried older countries through many a financial storm, the banks will only have themselves to thank for their troubles. Their course, while dictated from a determination not to go beyond their own resources, and to husband their coin and bullion for the maintainance of a convertible currency, will be as safe to themselves as conducive to the general prosperity. We have no fear that, as at present conducted, there



is danger, but warnings are now so constantly administered, that their force and significance should be kept in view by our connexions at the antipodes. To say nothing of the warnings constantly, and most unfortunately of late, given in this country, we are now witnessing a wild panic and financial crisis in America, which will go far to shake confidence in that tendency to "eternal progress" which is too often the boast of our colonies. That the race is not always to the swift, is rather an "old saw," but certainly true, and of universal application. "Runs" for specie; railway stock "nowhere;" produce "dull;" banks "paid out;" "sacrifices" of merchants and dealers; "idleness and poverty" of artisans and mechanics—these signs may well produce that "universal mistrust" which is now a blot upon one of the fairest spots of civilisation; and such features preach a lesson to all commercial communities, to England not less than to Australia, that they are the natural end of overtrading, the effects of a loose system of finance, and the result of a Government policy which excites wild speculation, and projects enterprises which had better never have been entertained.

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#### THE PROBABLE DEPRECIATION OF GOLD.

GOLD and silver are in point of fact merchandise, possessing, like all other articles, in relation to our requirements, their individual properties and uses; they are subject in their value to the same conditions which affect other commodities, and to the same laws of variation.

But the consequences of the rise or fall in the value of the precious metals manifest themselves by results altogether peculiar, in consequence of the functions with which from time immemorial they have been invested as money. When it is said that articles such as lead, iron, corn, or wine, decline in value, it must be understood in a sense relatively to other products, and signifying that it is necessary to give a greater proportion of the one than before, in order to obtain in exchange the like quantity of the other: the price of this description of merchandise consequently diminishes, because the price of a thing is its value in especial relation to the metals of which money is composed; or, in other words, the quantity of monetary units which it is necessary to give in exchange for a certain weight or quantity of it.\* The depreciation in the value of the precious metals reveals itself differently in respect that their price remains the same, but the price of

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\* It will thus be seen that the term *value* possesses a relative, and at the same time general sense; the word *price* also has a relative sense, since it is the value in relation to a determinate substance; that is to say, to the metal of which the money unit is constituted, but for the same reason it is special and precise.



all other articles of merchandise, without exception, rises, if the value of money in comparison has declined; and falls if it has increased. I repeat that their price remains the same, because with regard to these metals specially and exclusively, the price is their value in relation to themselves; if, for instance, the value of silver falls by one half, the monetary unit, or the franc, consisting in France of four grammes and a half of silver,\* the weight of a kilogramme of this metal, fine, will nevertheless be valued at 222 francs 22 cents., inasmuch as one kilogramme contains four grammes and a half, 222 times and a small fraction over; but in the case of the price of lead, iron, corn, wine, and all other descriptions of merchandise, it would be doubled, because, in order to obtain the same quantity of these articles as before, it would be necessary to give an amount of silver equal to as much again. It is in this way that the discovery of the American mines had necessarily for its effect, a general increase of prices.

The decline of the precious metals, or, what amounts to the same thing, the rise in prices, was only sensibly felt, out of Spain, subsequently to the middle of the 16th century. Soon after the commencement of the following, however, the effect was general throughout the whole of Europe. For silver, the extraction of which took place in greater proportion than gold, and was attended by conditions more favourable, the fall was at least in the ratio of one to three. In transactions where one pound of silver, or one piece of money representing a fixed quantity of the precious metal, had formerly served, three at least were henceforth necessary.†

In Paris, the quantity of corn termed a hectolitre (22 imperial gallons, English measure) fetched, previous to the discoveries of Columbus, from 12 to 15 grammes weight of silver (that is, the metal represented by the sum of 2 francs 67 cents, to 3 francs 33 cents); the same quantity was valued subsequently at 45 to 50 grammes, the amount of metal contained in 10 to 11 francs and more of French money. For gold the change, although marked, was considerably less than that of silver.

\* In the course of this treatise, whenever a determinate weight of gold or silver is spoken of, without indication of standard, i.e., the degree of fineness, the reader is requested to understand that the condition implied is that of absolute purity, or exemption from alloy; this is designated ordinarily by the standard of 1,000 millièmes—the Standard of French money is known to be 900 millièmes or nine tenths; i.e., it contains a tenth part of alloy.

† It is scarcely necessary to remark that in assigning this progression of one to three, other things have of course been considered equal—by that, it must be understood the various descriptions of merchandise had remained in the same abundance, in relation to the demand, and products in the same conditions as before. For any commodity which might have become relatively more abundant, and of which the production might have been facilitated by the introduction of any considerable improvement, there would exist another and distinct cause for the diminution in price; and this cause might have balanced, to a certain extent, the dearness occasioned by the fall in the value of the metals of which money is composed.



After experiencing an arrest, and even giving place during a certain period to a contrary movement, the decline in the value of the precious metals continued under the influence of the same causes to nearly the end of the 18th century; without, however, by any means equalling, either in intensity or extent, that which was experienced after the first cultivation of the vast mines of the American continent. Thus, during the first half of the 19th century, the value of silver in relation to that of corn, which is generally regarded (rather hypothetically, it must be observed) as constituting a fixed term, appears to have fallen to a sixth of what it was before the discovery of America. The hectolitre has been sold during the last half century in Paris, on an average at about 20 francs, or 90 grammes of silver.

At the present day we appear once more threatened with the spectacle presented three centuries ago, viz., the shock and crisis of another universal rise of prices. It is not, however, with respect to both the precious metals that the phenomenon now reveals itself, but one of the two only, gold; of which new deposits of vast extent and great comparative richness have been successively discovered. In California, the same year as that in which the domination of an industrious people, fraught with energy and intelligence, had replaced there the apathetic authority of a handful of ignorant monks, extraordinary mines of gold were discovered on the banks of the principal water courses; and, as soon as known, were explored with vigour by the colonists, who hastened thither from all parts of the world. This was in 1848. Three years afterwards, at the other extremity of the ocean, the track of these magnificent mines was re-struck in Australia. A gold digger, whose first essays had been made upon Californian soil, announced the discovery in this vast country of deposits, yielding in extent and richness to none possessed by the valleys of the Sacramento and the San Joaquin. The rich fields of California and Australia are not the only ones which, in our own days, have been opened up by the active hand of Christian civilisation.

Thirty years have now passed since the auriferous streams, known to the ancients, and celebrated in one of his narrations (fabulous, it is true) by the father of history himself, but forgotten by the generations of succeeding centuries, were brought into cultivation in northern and eastern Russia, at first among the Oural mountains, and afterwards in Siberia.\*

Under the influence of this vast and comparatively easy extraction,

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\* These auriferous washings in the chain of the Oural have been known to the Russians since the year 1774; but were not worked to any extent until after 1810. In the year 1816 the returns were only 96 kilogrammes (the kilogramme equals 2lbs. 3oz. English weight; hence 211lbs. and a-half), of metal: from 1823 they took a progressive course; in 1830 the product officially authenticated was 5,779 kilogrammes, or about 12,742lbs. Towards this period, the rich deposits of Siberia were discovered, and from 1840, they furnished an amount of gold superior to that extracted from the Oural.



we are necessarily led to augur for all those countries where gold circulates in abundance, or where this metal is or tends to become the sole instrument of exchange, generally perturbation of prices, and a modification more or less radical of the various social relations.

By a natural division, this treatise will be composed of several distinct parts—in the first we shall endeavour to estimate the probabilities of an augmentation of prices, to afford some explanation of the circumstances which promote, and of those which tend to restrain it. On another occasion, we shall investigate the nature of the money legislation of France. Subsequently it will be our aim to expose the principal inconveniences, which in a political, as well as social and economical point of view, would accompany the rise, together with the advantages which the decline in the value of gold would afford to society and to the state, by way of compensation; and conclude by attempting to determine what dispositions it would be proper to take, in order to oppose and mitigate the vexatious effects of an extraordinary production of the precious metal.

Previous, however, to commencing, it may be useful to devote a few remarks to the elucidation of a matter, which might otherwise possibly lead to some confusion. The question of high prices, it may be said, is no longer a possible contingency looming dimly in the future, but a fact already accomplished; the present time being characterised by an enhancement almost general. There are indeed few articles of merchandise of which the price has not risen during the last five or six years, and many persons have been induced to attribute the fact to the influence of the new gold discoveries. I do not dispute that the extraordinary production of the precious metal may not have its part in such a condition of things, but it is possible, at the same time, to indicate other and total different causes, which in this respect have had a preponderating influence in determining it.

With respect to a great number of commodities, comprising the principal necessities of existence, the raw materials of industry, and, by consequence, manufactures also, the increase arises from the fact that the relation between the supply and demand of these articles has from circumstances, become greatly modified. The demand has succeeded the supply, and the condition of the market is consequently disadvantageous to the consumer, who is obliged to pay more dearly for them than before. This rise in price is special and distinct, and attributable to circumstances, which, in their nature, are happily essentially temporary.

In the first place, for some years past various classes of society have been in a position to consume more, either from improved means, or ceasing to exercise the same amount of economy as formerly. In France a great number of persons have become enriched by the remarkable rise experienced by railway shares and other stocks, and have instituted in matters of luxury an example which has not failed to attract numerous imitators. With reference to the working classes, the impulsion of late sustained by the public works and various indus-



trial enterprises, has procured them an extraordinary amount of employment, and, as a natural consequence, high wages: these have enabled them to consume a greater quantity of the alimentary commodities and certain manufactured products, more accessible than others to the million. One of the effects attributable to this cause is the present dearness of provisions in France. In the second place, the inferiority, not to say failure of the harvests within the last few years, has been a predisposing cause of the high price of many articles. Bread and wine have both risen, because less corn has been grown than usual, and the malady amongst the vines has so generally and so extensively prevailed: the dearness of bread has by a natural influence induced that of many other aliments. The product of such vast employment in the manufactures of Europe, viz., silk is one of the materials the price of which has been enhanced: this has been produced equally by the failure in the crop of this article in the East, and the price of all articles into which it enters as a principal element, has, in consequence, been augmented.

It appears incontestable, therefore, that these two circumstances must be regarded as having hitherto contributed for the most part in determining the increase in prices, which at present exists; they are mentioned here in order that we may not confound results which must be regarded as accidental, with the effects to be anticipated from the new gold discoveries. It is this latter influence, and this only, that I would discuss with relation to the approaching future; that we may be the better able to estimate it, let us commence by determining, if possible, the intensity of the cause itself.

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A COMPARISON OF THE PRESENT SUPPLY OF GOLD WITH THE PAST AND PROBABLE FUTURE PRODUCTION OF THAT METAL.

At the commencement of the present century the quantity of gold furnished by the various producing countries to the general market of the world was annually about 24,000 kilogrammes;\* of fine metal, (52,920 lbs. English).† It rose little above this figure until the product of the Oural mines, and especially those of Siberia which obtained importance towards the year 1840, carried it, with the assistance of other secondary extractions, to more than double. At the present time we may value the amount furnished at 275,000 to 300,000 kilogrammes, (606,375 to 661,500 lbs.)

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\* The author has preferred stating the amounts in kilogrammes of fine gold rather than in francs; the figures employed are thus considerably less, and capable of comparison much more easily one with the other: (these, again, for the convenience of our readers, have been reduced to English pounds.) It will be remembered that the kilogramme by the terms of the law of 7 Germinal an. 11, was declared to be equivalent to 3,444 francs 44 cents.

† M. Humboldt estimates the production from America, Europe, and Asiatic Russia, for the same period, at 15,800 kilogrammes. (*Essai sur la Nouvelle Espagne*, 1827, vol. 3, p. 456.) The gold derived from other sources could scarcely have amounted to more than 2,000 kilogrammes, making a total of about 18,000 kilogrammes, or 39,690 lbs.



The increase then, in the period of forty or fifty years, is in the proportion of 1 to 14 or 15. In silver, on the contrary, scarcely any change as taken place: the supply at the beginning of the century was 900,000 kilogrammes (1,984,500 lbs.,) at present it is estimated to be about a million (2,205,000 lbs.)

The change which has thus been experienced in the production of gold, may be expressed in another manner. The country that, until the discovery of the Siberian mines, constituted the principal source for the supply of the European people, viz:—America, from the first voyage of Columbus to the discovery of the Californian gold fields, i.e., during a period of 356 years (from 1492 to 1848,) produced only 2,910,000 kilogrammes (or 2,864 tons, English.) At the present day, as we before stated, the production approaches 300,000 killogrammes, so that in a single year the nations of the civilised world receive about a tenth of the total furnished by America from the departure of Columbus until 1848.

As an example of the violence of the influx, and the proportions in which this metal has become absorbed into the monetary systems of civilised states, (particularly that of France,) since the discovery of the new gold fields, we proceed to institute some comparisons which possess a remarkable insignificance. During the government of the first Napoleon from 8 Brumaire until the restoration, the coinage of gold amounted to 527 millions (francs;) or an average of 38 millions per annum. In the reign of Louis XVIII., it continued nearly in the same proportion, the total being 389 millions, or 39 millions per annum. Under Charles X., a considerable decrease is observed; for the entire period the coinage was only 52 millions. Throughout the seventeen years of the monarchy of July, there was coined of gold money 215 millions, or an annual average of 12½ millions. A reaction occurs in 1848, because in the general distress to which the revolution of February was anticipated to give rise, many people sent the articles of gold they possessed to the mint to be converted into money; but the influence of the new gold fields was only sensibly felt after 1850. During the seven years to the 31st December, 1856, the fabrication of gold money in France was 2 milliards, 177 millions francs, (about £87,075,000 sterling,) or an average of 311 millions, (£12,430,000 sterling,) per annum.\* For the forty-eight years, included from 18

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\* It may not be unimportant to exhibit the yearly course of the gold coinage, for the period in question:—

1850	...	...	...	...	francs	85,192,390
1851	...	...	...	...	"	269,709,570
1852	...	...	...	...	"	27,028,270
1853	...	...	...	...	"	312,964,020
1854	...	...	...	...	"	526,528,200
1855	...	...	...	...	"	447,427,820
1856	...	...	...	...	"	508,281,995

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Total Francs..... 2,177,132,365



Brumaire an 8, to the 1st January, 1848, it had only been 1 milliard 186 millions, (£47,400,000 sterling,) or 24,700,000 francs (less than a million sterling,) per annum. With no other European nation has the gold coinage attained similar proportions or even approached it. In England, where strictly speaking gold is alone invested with the monetary function, the coinage of the same series of seven years from 1st January, 1850, to 31st December, 1856, gives only a total of £45,749,868 sterling; or an average of £6,535,605 yearly. This, however, is a considerable increase upon the English coinage of former periods; for the seven years immediately preceding the total was only £28,539,711, or an average of £4,077,101.

Whilst in France the coinage of gold has experienced this unexampled development, that of silver, on the other hand, has materially diminished. In the forty-eight years ending 1848, there was coined of that metal, 3,891,000,000 francs (about £155,000,000 sterling), being a yearly average of 81,065,000 (£3,240,000 sterling). In the seven years terminating 31st December, 1856, the amount altogether was only 319,850,000 francs (£12,780,000 sterling), or an average of 45,693,000 (£1,826,000 sterling).\* It must also be observed that the silver coinage of the latter years of this period, took place, probably, only because the Government made use of all the influence which it possessed with the directors of the Mint for this purpose. Left to themselves, perhaps, there would not have been a single 5 franc piece struck after 1853.

Not only, however, has the coinage of silver money been considerably less, but even that which the country possessed, is precipitately leaving it. The returns of the Custom House afford in this particular information which is only approximative, inasmuch as for this article, the declarations, are not always exact. In France, formerly, there was imported considerably more silver than was exported.† From a report made in 1839, by a "Commission des Monnaies," at which M. Thénard presided, it appears that during the ten years, from 1829 to 1839, the value of the imports was in excess by no less a sum than 2,024,364,000 francs (£80,900,000 sterling). The same proportions nearly were maintained until 1851. At that period, however, an inverse move-

\* Here are the proportions—

1850	...	...	...	...	francs	86,458,485-20
1851	...	...	...	...	"	59,327,308-90
1852	...	...	...	...	"	71,918,445-50
1853	...	...	...	...	"	20,099,488-20
1854	...	...	...	...	"	2,123,887-20
1855	...	...	...	...	"	25,500,805-50
1856	...	...	...	...	"	54,422,214

Total francs 319,850,134-50

† By silver is meant lingots as well as specie.



ment was originated, which year by year developed itself more decidedly. In the last three years the total importation has been 331,000,000 (£13,240,000), and the exportation 975,000,000 (£39,000,000 sterling), showing a difference of 644,000,000 (£25,750,000), or an average excess of 215,000,000 (£8,600,000 sterling) per annum upon the export. This excess was greater in 1856 than in 1855, and in 1855 than in 1854. During the present year the exportation has not been less considerable in comparison.\*

But here the question arises, will the present abundance of the metal (gold) continue indefinitely the same? and shall we always possess the same facilities for its extraction? On this point it would be difficult to arrive at any satisfactory conclusion, failing the precise information necessary for the purpose. On the whole, however, and if it was required to express an opinion upon the future of the gold fields of California and Australia, I would say, that without believing too implicitly either in the richness or permanence of the deposits, or the maintenance of the present average yield, it is at the same time impossible to ignore the conviction that the fields of these two countries must, for a long series of years, supply gold in such quantities, and on such conditions, that a fall in the value of this metal is, sooner or later, inevitable.

This leads me to repeat that in every country as in England, where gold is the monetary standard, as well as in France, where it is left to exercise this function, right or wrong (a point we shall have to discuss hereafter) there exists a strong probability of the progressive enhancement in price of provisions and raw materials: the rise would manifest itself in the same proportion as regards manufactured articles, if the industrial improvements, much more accelerated in the case of manufactures than of agriculture, did not succeed either partially or entirely in balancing this tendency.

In the exposition which precedes, reference has scarcely been made to the gold mines of the Russian Empire, the annual production of which (although they have furnished as much as 29,000 kilogrammes,

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\* The following exhibits the annual import and export of silver from 1846:—

				Imports.	Exports.
1846	...	...	francs	106,858,680	60,086,990
1847	...	...	"	138,307,280	84,678,220
1848	...	...	"	233,830,020	19,396,560
1849	...	...	"	291,414,760	46,847,060
1850	...	...	"	147,693,360	82,308,900
1851	...	...	"	178,629,800	100,680,840
1852	...	...	"	179,857,460	182,574,720
1853	...	...	"	112,568,040	229,453,480
1854	...	...	"	99,848,480	263,542,200
1855	...	...	"	120,891,400	318,051,040
1856	...	...	"	109,895,300	393,518,600
Total francs				1,719,294,580	1,781,138,600



(63,950 lbs.) has remained hitherto much under that of Australia or California:—there are two facts, however, in connection with these mines which, from their importance, must not be lost sight of—(1) The auriferous deposits of the southern and eastern regions of the Russian empire are of such gigantic extent, that, in the actual state of the knowledge we possess, they must be regarded as the largest in the entire world; (2) In their fertility they appear to yield in no respect to those of the above-named countries.

The region traversed by the chain of the Oural, or that in which gold-digging remained "cantoned" during the first years of its prosecution, already affords a vast career for industry; this chain being not less 1,900 kilometres (1,187 English miles) in length; but to the east of these mountains in Siberia, the field for operations presents itself in prodigious dimensions. From Kamtchatka and the mountains of Ouskoi, whose base is bathed by the waters of the Pacific Ocean, to the meridian of Perm, westward of the Oural, over a distance embracing half of the circle we describe in making the tour of the earth in these latitudes, the auriferous deposits are almost universally distributed; the zone which they occupy being of an average width of 900 kilometres (562 miles). It may be added, also, that the quality of the auriferous alluvium of Siberia is superior to that which is found in the Oural, and appears equal to that of the best veins in Australia or California. Under the new spirit which is beginning to manifest itself in the administration of the Russian Empire, it may reasonably be anticipated that the production of these mines will henceforward augment in very considerable proportions.

All things considered, therefore, the only circumstance which could possibly prevent gold from declining in value, and in consequence, the rise in the price of the various articles of merchandize, would be the discovery of a new channel or outlet proportionate in extent to the threatened production. In that case only, the ratio between the supply and the demand continuing the same, we should be enabled to procure it only upon the same conditions, *i. e.*, by paying for it with the same amount of corn or labour as at present. Is the discovery of such an outlet likely or even possible? This is a subject for our future consideration.

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## THE RAILWAY INTEREST OF THE UNITED KINGDOM.

THE result of the half-yearly meetings of the various railway companies of the United Kingdom, is not of a character to induce capitalists, just now, to embark in them as permanent investments. It is true, that in some few instances, rather improved dividends have been paid, but these are exceptions to the general rule, and in other cases, where the distributions are the same as at former periods, the statement of accounts do not present favourable aspects. We have on previous occasions pointed out the chief causes which prevent the



return of dividends, commensurate with the amount of capital expended, and although the various directorates have lately eschewed some of the evils, it is to be regretted that others are still perpetrated, and of those, the most fatal is that of aggrandizement, which appears to be the "ruling passion" of the directors of the Leviathan establishments. An example of this is furnished by the proceedings of the Great Western Company, whose dividends for the half-year, ending June 1856, was  $2\frac{1}{2}$  per cent., whilst for the corresponding six months, of the present year, it was only 1 per cent., or equal to a reduction of 3 per cent. per annum. The directors endeavour to account for this sad falling off, by stating that it is entirely owing to the whole of the interest in the capital, with a slight exception, being charged for the first time against the revenue. The increase in the items of interest on loans and preference shares charged against revenue, amounted to £60,000 over that paid for the half-year, ending June 1856, and is about equivalent to a dividend at the rate of  $1\frac{1}{2}$  per cent. per annum, on the consolidated stock of the company. This result, they say, was to a great extent anticipated, but it was expected that the profit arising from the increase of traffic would have the effect of reducing the pressure, and thus increasing the net revenue to meet the heavy charges against it for interest on the capital expended on the new lines, as they came into operation. Against this expected advantage, however, there were the expenses of the additional working, and maintenance of 92 miles of new railway, opened in sections, and at various periods within the space of twelve months. Notwithstanding the efforts made by the officials, the traffic on these new lines could not be sufficiently developed to pay all the working expenses, and consequently some disappointment had been experienced in that respect. Time, they add, would be required to develop the traffic on new lines, particular on those passing through agricultural districts; but, there could be no doubt, according to the statistics of railway traffic, that the returns on these, at present unproductive lines, would gradually increase year after year, and eventually yield a profit on the working. That the directors may entertain such an opinion, is very probable, but we very much doubt that the new branches from Salisbury to Warminster, from Frome to Weymouth, and from Bathampton to Bradford, besides sundry "minor" branches to Melksham, Uxbridge, Henley, &c., will even pay the cost of construction. If we are to judge from the last balance sheet, they will not. The formation of the branches just named, increased the mileage of the line somewhere about 25 per cent., whilst the total receipts had only increased from £704,650 to £763,954,—barely 10 per cent., and when the working expenses are deducted, the net revenue, for the two periods, stand respectively £422,569 and £419,618, that is to say, the real revenue on the increased mileage, is less than it was before the additions were made. That such a system can last, is impossible, and unless the shareholders put a stop to such rash proceedings on the part of their directors, they must never expect to receive dividends at all commensurate with their outlay, if they even get any return at all.



We have instanced the case of the Great Western, because it is just now brought more prominently before the public, but there is too much reason to fear that other companies, though probably not at present to so vast an extent, are pursuing a similar fatal course. If any thing were wanting to prove these facts, it is to be found in the following figures taken from Captain Galton's last official report to the Board of Trade:—At the end of the year 1856, of the grand total of £308,775,894 of railway capital actually raised in the United Kingdom, the loans represented £77,359,419, and the preference shares £57,057,171. The total capital possessing a preferential claim upon profits was thus £134,416,590, and this class of capital during the year 1856 absorbed £6,834,850 of the gross profits of the railways, leaving only £5,442,862 for distribution amongst the holders of £174,359,304 of ordinary stock. The consequence was, that whilst the interest paid on the preferential and loan capital together averaged £5 *1s. 7d.* per cent. per annum, the average rate of dividend on the whole of the ordinary share capital was only £3 *2s. 4d.* per cent. It is consequently perfectly clear from these results, that the interests of the holders of ordinary stock have been sacrificed for the benefit of preferential claimants.

Another source of considerable loss to some of the largest undertakings, has been the rivalry which has lately sprung up to rob each other of certain towns and localities, which, so to speak, properly belong to one particular line. This, again, necessitates not only the outlay of considerable capital to form the road, but compels the companies to run at fares which it is impossible can be remunerative. It is true, it may be said, that in all such cases the public reap the benefit. To a certain extent that must be admitted, but it is only till the directors of the competing lines find it convenient to amalgamate; the public are then no more cared for, and the shareholders money having been expended in forming the lines, naturally helps to increase the amount of capital, and by so much tends to decrease the amount which ought to be available for dividends. A case in point is Reading. Originally the Great Western only had a station at that town; it is in the centre of the district through which that line passes, therefore it may be said properly to belong to that Company; but now the South Eastern and the South Western have each branches running into Reading, and the fares at which they have all, for some months been conveying passengers, cannot approach a remunerative point. If the various directorates—and perhaps the shareholders themselves are not altogether blameless—persist in pursuing such a destructive course, the sooner the legislature interposes, the better it will be for all concerned.

At the Great Northern meeting, a scene of the greatest confusion ensued, arising from the disorganised state of affairs with respect to the Redpath frauds. Mr. Denison, the chairman, completely lost his temper, and conducted himself in such a manner as to call forth the unanimous reprobation of the immense assembly. It is probable that



the hon. gentleman's temper had been a little disconcerted by the judgment of Vice-Chancellor Wood, who had a day or two previously given judgment in favour of the preference shareholders in their suit against the directors to restrain them from paying any dividend to the ordinary shareholders, without first paying the preference dividends accrued since June, 1856. With regard to the extent of the frauds committed upon the company by Redpath, it appears from a table appended to the report of the directors, that the loss in stock of the Great Northern Company amounted to £201,532, in stock of the East Lincolnshire to £18,100, together £219,632. The loss by frauds in dividend of the Great Northern Company amounted to £20,751, and in dividend of the East Lincolnshire Company to £547, together £21,299; making the total loss in stock and dividend £240,931. But as £2,482 was provided for and paid out of dividend set apart in excess, and £717 interest on original shares paid out of capital, together £3,199, the amount for which the company will have to provide is £237,732. This amount does not of course include expenses.

The following is an abstract of the report of Captain Gatton, R.E. to the Board of Trade of the proceedings of the department relating to railways for the year 1856.

The total length of railway authorised by Parliament down to the end of 1856, amounted to 14,668 miles; but of this 1,495 miles have been authorised to be abandoned, leaving 13,163 miles for which Parliamentary powers have not been repealed; of these 8,635 miles were open for traffic at the end of 1856, including 355 miles opened during that year, and 4,538 miles remain to be opened—namely, 3,316 miles in England and Wales, 452 in Scotland, and 770 in Ireland. He does not think it probable that 2,532 miles of those lines will ever be made, the powers for the compulsory purchase of land having been allowed to expire without having been exercised. The total amount of money authorised to be raised by railway companies by shares and loans to the end of 1856 amounted to £377,767,907, of which £308,775,894 had been raised, leaving £68,992,013 to be raised. Of the 8,718 miles open for traffic on the 31st December, 1856, 6,737 miles were narrow gauge, 679 miles broad gauge, 254 miles mixed, and 1,048 miles Irish gauge. The length of single line in the United Kingdom at the end of 1856 was 1,562 miles constructed on the narrow gauge, 240 miles on the broad gauge, 72 miles on the mixed gauge, and 637 miles on the Irish gauge, making together 2,511 miles of single line. It has become a very general practice for railways which are subsidiary to the lines of existing railway companies, and which have been constructed by independent companies, to be worked by the existing larger company. This mode of working is advantageous to both parties, and generally to the public, because these agreements create for the time that identity of interest which is created by an amalgamation, while at the same time the existence of the local company provides for the interests of the district being better cared for than it would probably be if the small lines were entirely merged in the larger company. The length of the line reported to be in course of construction on the 30th of June, 1853, was 963 miles; of these about 208 miles were opened before the 31st of December, 1856. The number of persons employed on the 30th of June upon the railways in course of construction amounted to 36,473, being on the average 37·87 per mile. The length of line open for traffic in the United Kingdom on the 30th of June,



1856, was 8,506 miles, and the number of persons employed thereon amounted to 102,117 persons, or 12 per mile. With regard to the traffic, the total number of passengers conveyed on the railways in 1856 amounted to 129,347,592, against 118,595,135 conveyed in 1855, the number conveyed per mile of railway open being 15,213 in 1856, against 14,503 in 1855. The receipts from passengers amounted to £10,153,745 in 1856, against £9,525,205 in 1855, the receipts per mile being £1,194 in 1856 and £1,164 in 1855. From the figures given in the appendix, it appears that from 1852 to 1856 the first-class passenger fares in England have been diminished, and that the receipts per passenger have also decreased, while the receipts per mile have increased. As regards the second-class traffic in England, the fares have been slightly increased, and the receipts per mile have not varied much. In the third-class traffic, which includes a large amount of excursion traffic, the average fares were diminished, and the receipts per mile largely increased. In Scotland the fares of first-class passengers have been diminished, and the receipts per mile have increased; as regards the second-class traffic the average fare has been increased; the actual receipts are about the same as in 1852, while the receipts per mile have diminished; the average fare for third-class passengers has been increased, and the receipts per mile have also increased. In Ireland the average fare per mile and the receipts from each class of passengers have increased, but the receipts per mile, with the exception of the first-class, have diminished. The receipts from goods, cattle, minerals, parcels, &c., in 1856, amounted to £13,011,748, against £11,982,394 in 1854, which represents £1,530 per mile in 1856, compared with £1,465 per mile in 1855. The total receipts from goods, cattle, minerals, parcels, &c., may be divided as follows—viz., £7,685,379 was for the conveyance of 23,823,931 tons of merchandise, £3,585,991 was for the conveyance of 40,938,675 tons of minerals, £517,786 for the conveyance of 10,450,175 head of live stock, and £1,222,626 for the conveyance of parcels, &c. The tables in the appendix show that while in 1849 the proportion of the passenger traffic to the goods traffic was as 53 to 47, in 1856 the proportion of the passenger traffic to the goods traffic is as 44 to 56. The total receipts from all sources of traffic have amounted in England and Wales to £19,728,311, or £3,120 per mile, in 1856, against £18,363,869, or £2,978, in 1855; in Scotland to £2,319,217, or £2,022 per mile, 1856, against £2,144,398, or £2,003 per mile, in 1855; and in Ireland to £1,117,965, or £1,092 per mile, in 1856, against £999,832, or £1,060 per mile, in 1855. The aggregate receipts from all sources of traffic for the whole kingdom having been £23,165,493, or £2,724 per mile, in 1856, against £21,507,599, or £2,629 per mile, in 1855. It would appear that the average working expenses of railway companies, per mile of railway open, have increased in England and Wales from £1,352 per mile in 1854 to £1,531 in 1856; in Scotland, from £961 in 1854 to £970 in 1856; but that in Ireland they have decreased from £465 in 1854 to £427 in 1856. The proportion which the working expenses have borne to the receipts has been 49 per cent. in England and Wales as compared with 48 per cent. in 1855; 47 per cent. in Scotland as compared with 49 per cent. in 1855; 39 per cent. in Ireland as compared with 41 per cent. in 1855; the general average being 47 per cent. upon the gross receipts as compared with 48 per cent. in 1855. The expenditure appears to be divided under the several heads as follows—viz., maintenance of way, 15 per cent.; locomotive expenses, including repairs of rolling stock, 39 per cent.; traffic charges, 26 per cent.; miscellaneous, including police and watchmen, compensation, &c., 13 per cent.; rates and Government duty, 7 per cent. With regard to the financial position of railways, the report



states that the total amount of capital raised for the construction of railways on the 21st of December, 1856, amounted to £308,775,894, which represents an expenditure of £35,459 per mile of railway open. In making this estimate it must be recollected that the lines reported to be in course of construction amount in length to about one ninth of the whole length completed and under construction, and that some portion of the cost per mile belongs to those lines. But it is worthy of notice that, although the cost of railways in the united kingdom has averaged £35,459 per mile—viz., £40,288 in England, £27,759 in Scotland, and £14,808 in Ireland, the average cost of the independent lines of railway for which the Acts have been obtained since 1848, and which are now opened for traffic, has only amounted to £9,568 per mile; of these railways, those open in England have averaged £12,373 per mile; those opened in Scotland have averaged £5,408 per mile, and those opened in Ireland is £6,716 per mile. Of the total amount of money raised £77,359,419 has been raised by loans, £57,057,171 by preference shares, and the remainder—viz., £174,359,304 by ordinary share capital. The preferential and loan capital invested in railways is 43 per cent. of the whole capital, and the interest which has to be paid upon the preferential and loan capital averages 5·08 per cent.; the net receipts on railways give an average interest on the whole capital invested of nearly 4 per cent., but the heavy preferential character of the charges reduces the interest on the ordinary capital to 3·12 per cent. It also appears that the receipts of railway companies have increased steadily, although slowly, every year. The large amount of preferential capital has prevented a proportionate increase in the dividends on the ordinary share capital; but the steady increase in the net receipts in a greater ratio than the increase of the capital invested is evidence of sound progress. The stability of railway property depends chiefly upon a careful management. Without entering into this question, which is one of great difficulty, owing to the magnitude of the several undertakings, the extent of territory they occupy, and the conflicting interests to which they are subjected, Captain Galton calls their lordships' attention to the fact, that while in 1855 a case occurred in which the accounts of a railway company were audited in so lax a manner as to have admitted of a considerable amount of peculation in many branches of the service; in 1856 an important company suffered great loss in consequence of the defective system of audit having permitted the forgeries of an employé to escape unobserved for a length of time. He states that frauds thus committed entail serious losses upon shareholders, and that the shareholders will be continually liable to frauds of this nature until a more careful system of audit, and one independent of those directly concerned in the management of the railways, be generally adopted, and until a direct responsibility be placed on those to whom that management is confided. The report concludes by showing the proportion of passengers killed and injured in Great Britain and Ireland from causes beyond their own control to have been small as compared with the number carried, in the several years from 1852 to 1856 inclusive. In 1852 the proportion per million passengers conveyed was 0·11 killed and 4·20 injured; in 1853, 0·35 killed and 2·80 injured; in 1854, 0·10 killed and 2·97 injured; in 1855, 0·08 killed and 2·70 injured; and in 1856 the proportion per million passengers conveyed was 0·07 killed and 2·18 injured. It thus appears that only one person in 16,168,449 who travelled has been killed, and one in 458,370 who travelled has been injured from causes beyond their own control; and that the degree of safety with which passengers have been conveyed on railways is greater than in any year since 1851.



**LONDON AND NORTH WESTERN.**—The dividend declared by this company for the half-year was at the rate of 5 per cent. per annum out of £572,332 profit, and carrying over £7,776 to next account. The receipts for the half-year from passengers, parcels, mails, &c., amounted to £769,544, against £742,276 at the corresponding period of 1856, showing an increase of £27,268; the receipts for merchandise, &c., amounted to £286,974 against £748,347, showing an increase of £38,627. The total receipts for the half-year amounted to £1,556,518 against £1,490,623, showing a total increase of £65,895. The working expenses amounted to £631,847 against £597,400 at the corresponding period of 1856, showing an increase of £34,447. The total receipts on capital account to the 30th of June amounted to £33,925,340, and the expenditure to £32,941,407, leaving a balance of £983,933. The expenditure on the main lines and rolling stock amounted to £27,741,605, and on lines in which the company have an interest £5,199,801. The loan account showed that £10,691,160 had been borrowed on debentures, of which £462,275 was at 5 per cent, £1,350,596 at 4½ per cent., £5,968,081 at 4¼ per cent., £297,284 at 4 per cent., £1,362,918 at 4 per cent., £154,950 at 3½ per cent., £710,656 at 3¼ per cent., and £361,200 at 3¼ per cent. The working stock account shows that £3,005,889 had been expended upon it, and the average cost per mile of the working stock was £3,305 per mile. The expenditure on capital account from the 31st of December, 1849, to the 30th of June, 1857, amounted to £4,749,376, including £233,816 for the past half-year. The renewal of road account showed a total expenditure of £799,307, of which £241,451 is to be provided out of capital, and £557,856 out of revenue, of which £484,747 has been paid, leaving a debit against revenue on this account of £73,109. The revenue account for the half-year showed that £1,620,832 had been received, including £6,522 for rents, and £51,290 dividends from investments in other lines.

**GREAT WESTERN.**—The dividend of this company for the past half-year was at the rate of 1 per cent. per annum, out of a disposable sum of £51,197, carrying over to the next account, £10,011. The statement of receipts and expenditure showed that the total receipts on capital account amounted to £23,527,364, consisting of £8,161,135 ordinary stock £7,784, Windsor shares, £59,392 Berks and Hants Extension shares, £1,341,979 irredeemable 4 per cent. stock, £129,000 redeemable 4 per cent stock, £1,790,457 redeemable 4½ per cent. stock, £1,006,962 redeemable 5 per cent. stock, and the debentures, loans, &c., amount to £10,603,780. The total expenditure on capital account amounted to £23,115,406. Of this sum £10,871,282 was expended on the Great Western, Oxford, Berks and Hants, Windsor, and other lines, and on rolling stock; £143,061 on the Uxbridge and Henley railways, £6,715,059 on the line from Oxford to Wolverhampton and Dudley, £1,577,045 on the Wilts, Somerset, and Weymouth Railway, £41,345 on the Didcot deviation line and engine house, £134,641 for laying narrow gauge rails from Oxford to Basingstoke, £29,851 western fork at Reading, £12,597 on bridges in lieu of level crossings, £2,749 on the Acton and West London junction, £2,060,737 in subscriptions and disbursements for other undertakings, including £707,280 for the South Wales, £225,000 for the South Devon, £125,882 for the Gloucester and Dean Forest, £545,000 for the Wilts, Somerset, and Weymouth, £183,857 Oxford, Worcester, and Wolverhampton, £60,000 for the Cornwall, £97,031 for the Shrewsbury and Chester, £35,124 for the Shrewsbury and Birmingham, £24,692 for the Shrewsbury Amalgamation Act, £10,000 for the Wycombe Railway, £12,500 Plymouth Great Western Docks, £34,370 North Metropolitan Railway,



£815,779 on new rolling stock, £631,752 on new station at Paddington, and £79,501 at Bull's Bridge and in other new station accommodation, making the total expenditure as above, £23,115,405, leaving a balance of £411,958. The capital account of the Shrewsbury railways showed that £3,427,990 had been raised, including £2,450,129 in stock and shares, £671,576 on loan, £247,720 loans raised for joint purposes, and £58,565 on personal accounts, inclusive of £19,276 due to Great Western account. The total expenditure on those lines to the 30th of June last, amounted to £3,208,201, and for subscription to Stour Valley Railway, £190,087, together £3,398,288, leaving a balance consisting of assets and personal accounts amounting to £29,701. The debenture statement showed that £10,222,760 had been borrowed to the 30th of June, on debentures, of which £4,333,421 was borrowed at 5 per cent., £1,139,745 at 4½ per cent., £3,085,826 at 4½ per cent., £90,500 at 4½ per cent., £887,160 at 4 per cent., £57,200 at 3½ per cent., and £628,907 at 3½ per cent. The revenue account of the Great Western lines for the half-year showed that £768,954 had been received, including £7,050 rent from the Bristol and Birmingham Railway and dividends from Gloucester tram-road, £12,170 for use of plant by other companies, £2,914 interest on revenue cash balances during the half-year, £6,073 rent of Great Western Hotel and other property, and £223 for registration fees. The expenditure on revenue account amounted to £349,257, or 47·16 per cent. The revenue on the Shrewsbury lines for the half-year, after deducting £5,657 to cover expenditure in respect of traffic at Birkenhead and passing over the Birkenhead Railway, amounted to £124,338, and the working expenditure to £74,791, leaving a balance of £49,546 to meet £19,178, the interest paid on debentures, loans, &c., and £48,988, the amount of the half-year's guaranteed dividends, together £68,166, leaving a deficiency of £18,619, which is provided by the Great Western Company out of their revenue.

**GREAT NORTHERN.**—The report of the directors of this company stated that the capital expended to the 31st of December, 1856, amounted to £11,227,108, the payments during the half-year to £52,335, making the total amount of capital expended to the 30th June, 1857, £11,279,444. The cash and securities held by the company to the 30th June amounted to £187,323, and the 5 per cent. preference capital yet to be called, £400,000. The gross traffic receipts during the half-year ending the 30th of June were £581,831, but from this is deducted the sum of £4,200 under the award of Mr. Gladstone of the 22nd of April, 1857, reducing the available receipts to £577,631, being £9,791 more than at the corresponding half-year of 1856. The total expenditure for the half-year is £296,955, leaving a balance of receipts beyond expenses of £280,676, being £15,425 more than the balance available in June, 1856. To the £280,676 is added £8,400 due from the Eastern Counties Company, making a total to meet fixed charges and dividend of £289,076. The fixed charges, mortgage interest, &c., amount to £105,799, and the dividends on the several preference stocks at the prescribed rate to which they are entitled to £85,021, leaving £98,255 applicable to dividend upon the original stock and upon the B stocks; and will give to the original stock £2 per cent. for the half-year, being at the rate of 4 per cent. per annum; and to the B stock £4 per cent. for the half-year towards the 6 per cent. for the year guaranteed at the cost of the A stock, and the directors recommend that these rates of dividend be declared accordingly.

**LONDON BRIGHTON AND SOUTH COAST.**—The dividend declared by this company was 2½ per cent. for the half-year out of £115,927 available for



that purpose, carrying over £463. The capital raised to the 30th of June amounted (says the report) to £7,797,215, consisting of mortgage debt £1,942,935, debenture stock £1,000, preference capital £1,234,726, and consolidated stock £4,618,554. The total outlay on capital account during the past half-year was £6,523. The amount of unexpended capital at this date being only £1,068, and there being several works which cannot longer be delayed without injury to the traffic, the directors feel it their duty to call upon the shareholders to sanction an application to Parliament for powers to raise a further sum of £200,000. The gross revenue for the half-year ending the 30th of June has been £349,224, showing an increase of £6,546 over the corresponding half-year of 1856, which included a very large revenue derived from the naval review at Spithead, the peace festivities, &c. The number of train miles run during the half-year was 955,948, against 924,385 at the corresponding period; the receipts, exclusive of cartage, amounted to £337,782, and for the corresponding period of 1856 to £332,032; and the expenses to £154,512, against £149,043 at the corresponding period. The expenses, including cartage, amounted to £161,642, and for the corresponding period of 1856 to 155,794. The ordinary expenses amounted to £138,901, and the renewals and additions to £15,611, while in the corresponding half-year of 1856 the expenses amounted to £129,556, and the renewals to £19,478. The cost per train mile was 3s. 2½d. against 3s. 2¼d., and the expense of cartage to £7,130 against £6,760. The increase of ordinary expenses as compared with those of the corresponding period of 1856 arises from the expense of working the West-end line now appearing for the first time, from the high price of materials, and from the rolling-stock having been extensively and thoroughly repaired.

**SOUTH EASTERN.**—The dividend of this company for the half-year was 9s. per share, (£30 stock) out of an available balance of £118,538, and carrying over £7,033. The gross receipts for the half-year ending the 31st of July last amounted to £502,523, against £503,177 at the corresponding period of 1856; the working expenses to £258,556, against £267,321; and the net receipts to £243,966, against £235,855 at the same period of 1856; showing that while there was a decrease of £653 in the gross receipts, there was also a decrease of £8,765 in the working and other expenses, which resulted in an increase of £8,111 in the net receipts as compared with the corresponding half-year of 1856. The gross receipts for passengers, parcels, mails, &c., amounted in the past half-year to £366,395; merchandize, minerals, and cattle, to £101,440; steamboats, to £26,110, and rents £8,577; together, £502,523. Several circumstances had tended to diminish the passenger receipts during the past half-year, viz:—The decrease in the movement of troops to and from Aldershot, Shorncliffe, Dover, Woolwich, and Chatham. The discontinuance of the Greenwich fairs at Easter and Whitsuntide has also led to a considerable diminution in the receipts of the Greenwich branch. The expenditure on capital account during the half-year has amounted to £60,104. The amount realized during the last year for the sale of surplus lands has been £17,082. The capital account showed that £11,458,943 had been received, including £47,887 during the half-year, and £11,535,831 expended, including £48,870 during the half-year, leaving a balance of £76,888. The revenue account shows that £502,523 had been received and £250,092 expended, leaving a balance of £252,431. To this sum is added £1,561 from last account and £770 in interest on deposits, making £254,762. Out of this sum is deducted £23,387 for rents on Greenwich branch,



Deptford Creek-bridge, and Angerstein branch, £104,372 interest on loans and preference shares, £628 parliamentary expenses, £7,415 compensation for injuries and losses by accident, and £420 reserve for bad debts.

**LONDON AND SOUTH WESTERN.**—The dividend declared for the half-year was at the rate of £4 15s. per cent. per annum, and the balance carried to the next account £875. The total receipts for the half-year ending the 30th of June, 1856, amounted to £429,628, the working expenses to £157,638, and the net revenue to £248,427 while the total receipts for the half-year ending the 30th of June, 1857, amounted to £408,501, the working expenses to £165,538, and the net revenue to £218,970, showing a decrease in the total receipts of £21,127, an increase in the working expenses of £7,900, and a decrease in the net revenue of £29,457. The amount of traffic arising from the naval review last year, and from the transmission of troops at the close of the war, caused an extraordinary increase in the gross receipts of the company. The directors (says the report), think it would be more fair, therefore, to compare the first half-year's traffic of 1857 with that of 1855, than with the first half of 1856. The total receipts on 268 miles for the half-year ending June 30, 1855, amounted to £368,235, the working expenses to £139,613, and the net revenue to £205,696; the total receipts for the half-year ending June 30, 1857, amounted on 277½ miles to £408,501, the working expenses to £165,538, and the net revenue to £218,970, showing an increase in the mileage of 9½ miles, of £40,266 in the total receipts, £25,925 in the working expenses, and £13,274 in the net receipts. The increase in the mileage run by the trains was 192,862 miles, including 105,725 over that of the corresponding half of 1856. The suburban traffic and number of residential season-tickets are both steadily on the increase. The amount charged against capital account in the past half-year on account of extensions of stations and sidings was £9,905, of which £7,166 was expended on the main line. The capital account showed that £9,293,353 had been received, and £9,413,852 expended, leaving a balance of £120,499 against the company.

**LONDON AND BLACKWALL.**—The amount available for the half-year's dividend was £15,146, and the dividend declared was 2s. 9d. per share. The report stated that on comparing the passenger traffic with the corresponding period of 1856 it will be found that the traffic of the main line has decreased, while from all other sources there has been some improvement. The decrease of traffic on the main line amounted to £1,199 during the half-year, while the Bow station showed an increase of £65, the North London traffic of £262, the Tilbury £210, and the Eastern Counties traffic £320, making together £857, leaving the net decrease £312; the total receipts being £33,681 against £34,023 at the corresponding period of 1856. The additional capital of £160,000 in shares of £5 10s. each has been taken up by the proprietors. The capital account showed that £1,623,833 had been received, and £1,737,764 expended; leaving a balance against the company of £113,931. The revenue account for the half-year ending the 30th of June, shows that £38,574 had been received, and £17,478 expended, leaving a balance of £21,300.

**LONDON, TILBURY, AND SOUTHEAST.**—The dividend declared was 1½ per cent.; making, with the previous distribution, 4 per cent. per annum. It appeared from the report that the actual traffic receipts for the half-year ended the 30th of June, 1856, amounted to £20,024, and those of the half-year ended the 30th of June, 1857, to £22,081, being an increase of £2,057.



The expenditure in the half-year ended the 30th of June, 1856, was £16,681, against £13,974 in the past half-year, being a decrease of £2,607. The statement of accounts showed that the revenue from passengers, goods, &c., was £22,081, and the expenditure £13,973, leaving a balance of £8,107. The expenditure of capital in respect of the Tilbury and Southend line, amounted to £592,816, and the receipts to £594,478, leaving a balance of £1,662. The payments on account of the branch from Bow to Barking were £126,885, and the receipts £131,788, leaving a balance of £4,902.

**AMBERGATE, NOTTINGHAM, AND BOSTON.**—This company declared a dividend of 2s. 9d. per share out of £11,820 net revenue, and carried to next account £201. The net traffic of the railway showed a deficiency of £575 as compared with the same period of last year. The net revenue derived from the canals is in excess of the amount earned during the same period of last year. The capital account shows a balance of £30,686, and a further sum of £13,554 is still due on the last two calls. The capital account shows that £861,085 had been received, and £830,398 expended, leaving a balance of £30,686.

**BLACKBURN.**—This company did not declare any dividend. According to the report the receipts on the line amounted for the year ending June, 1852, to £41,443; ending June, 1853, to £45,420; ending June, 1854, to £46,064; ending June, 1855, to £42,861; ending June, 1856, to £46,702; and ending June, 1857, to £52,038. The toll paid to the East Lancashire Railway Company for passing over about two-thirds of a mile of their line at Blackburn amounted for the year to £818, £1,025, £1,089, £1,065, £1,107, and £1,285 respectively. The traffic receipts for the half-year ending the 30th of June last amounted to £26,308, and for the corresponding period of 1856 to £23,741, showing an increase of £2,567. The capital account showed that £1,039,056 had been received, and £1,060,596 expended, leaving a balance against the company of £21,540. The revenue account for the half-year ending June 30, showed that £26,308 had been received, and £12,140, or 46·14 per cent., expended, leaving a balance of £14,168. To this sum is added £7,718 from last account, making £21,886. From this is deducted £8,622 interest on loans, £2,316 interest on land and other unpaid claims, £445 fixed rent charges, and £2,927 Parliamentary expenses for proposed extensions, leaving a balance of £7,574. The liabilities of the company, including the above £21,540 balance against the company, amounted to £75,901.

**BIRKENHEAD, LANCASHIRE, AND CHESHIRE JUNCTION.**—The dividend of this company was at the rate of 3 per cent. per annum for the half-year, out of a revenue balance of £30,248, and carrying £1,125 to the next account. The report stated that on the 30th June, 1857, the consolidated stock amounted to £1,941,505; debenture debt to £414,921; total capital, £2,356,427. The payments and expenditure on account of the capital during the half-year amount to £41,718 7s. 1d. The revenue account shows that the traffic from all sources, with the exception of a temporary diminution of the South Wales coal and iron ore trade, has increased, while the working expenses in comparison with the corresponding half-year have been slightly reduced. The traffic receipts amount to £70,050; working charges to £32,870, 46·92 per cent.; dividend paid 3 per cent.

**BLYTH AND TYNE.**—The revenue account of this company for the half-year was £29,470 received and £22,341 expended, and out of the balance a



dividend of £1 5s. was declared on the preferred shares—16s. 3d. on the ordinary shares and 6s. 1d. on the extension shares.

**BRISTOL AND EXETER.**—Out of a balance of revenue amounting to £52,742, this company declared a dividend for the half-year at the rate of 5 per cent. per annum, and carried forward a balance of £3,743. The gross traffic receipts, from the 1st of January to the 30th of June, 1857 (including those of the Exeter and Crediton and the Somerset Central Railways), amounted to £157,193, which is £1,113 less than in the corresponding half of the year 1856. The working expenses amounted to £91,451, or 50·80 per cent. of the gross receipts, being at the rate of £658 per mile on 123½ miles of railway worked during the last half-year, and shows an increase of expenses of 0·32 per cent. on the gross receipts, and a decrease of £4 16s. 5d. per mile as compared with the corresponding year of 1856. The accounts showed that £3,711,158 had been received on the capital account and £3,231,845 expended, leaving a balance of £479. The revenue account for the half-year showed that £160,322 had been received and £81,451 expended, leaving a balance of £78,871; to this is added £8,745, the balance from last account, making £87,617. Out of this £33,874 is deducted for rents and interest on loans, leaving a disposable balance of £53,742.

**BUCKINGHAMSHIRE.**—The dividend here was at the rate of 4 per cent. per annum for the half-year. The report stated that the balance of dividend unpaid on the 31st of December last was £604. The rent received from the London and North-Western Railway Company amounted to £24,908, making together £25,504. The payments during the half-year amounted to £24,855, leaving a balance of £649.

**CHESTER AND HOLYHEAD.**—The report of the directors recommended a dividend at the rate of 5½ per cent. per annum on the first preference stock, and a payment of £6,377 on account of arrears of dividend on the second preference stock, at 5 per cent. per annum to the 31st of March, 1856, being a balance of £690; payment of the dividends was deferred, but the amounts were to be sent out as soon as the receipts had accumulated to a sufficient amount to meet the demand. The gross receipts during the past half-year exceed those for the corresponding period of the previous year by £4,431. The amount available for dividend is £29,920 as compared with £23,029 at the corresponding period of 1856. The arrears of dividend on the second preference stock, from 1st of April, 1856, which will remain after payment of the above dividend, amount to £16,280, which it is hoped will be cleared off by the receipts of the current half-year; after which the revenue of the company, exclusive of any increase, would be more than sufficient to ensure the regular payment of the dividends in future on both preference stocks. The capital account showed that £4,304,761 had been received, and £4,338,963 expended, leaving a balance against the company of £34,201. The revenue account showed that £114,749 had been received on the railway during the half-year ending the 30th of June last, and £57,537 expended, leaving a balance of £57,212. The receipts for the steam-boats amounted to £25,168, and the expenses, including £5,646 for insurance and depreciation, amounted to £24,233, leaving £935 over.

**EAST ANGLIAN.**—The report of the directors of this company stated that the balance standing to the debit of capital account had been increased from £1,961 to £3,355. The traffic receipts for the half-year amounted to £27,131, showing an increase of £2,080 over those of the corresponding



half of 1856, of £4,116 over those for the half-year ending June, 1855, and of £5,965 over same period of 1854. The working expenses chargeable to the East Anglian Company have been reduced to £46 5s. 10d. per cent. in the past half-year. The increase in the traffic receipts and the reduction in working expenses enable the directors to pay the dividends on all the preference stocks, and to leave a balance of £632 as the commencement of a fund to be distributed among the holders of ordinary stock, whenever it may amount to a sufficient sum for that purpose. The capital account showed that £1,642,380 had been expended.

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**EAST LANCASHIRE.**—The dividend declared was at the rate of 5 per cent. per annum for the half-year. The gross receipts for the half-year amounted to £163,206, the working expenses to £66,820, fixed charges, interest on loans, and preference dividend to £42,695, leaving a balance of £53,690. This balance showed an increase of £12,316 in the net profit of the company over the corresponding period of 1856, being equal to 1 per cent. for the half-year on the ordinary stock of the company. During the half-year the company raised by calls, &c., on the new stock and shares recently issued £93,378, and reduced the mortgage debt by £24,600. The outlay on capital account for the same period showed that £48,192 had been expended in improvements on the line and stations. The capital account showed that £3,988,818 had been received, and £3,960,706 expended, leaving a balance of £28,112.

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**EASTERN UNION.**—The dividend for the half-year was at the rate of 30s. per cent upon the A, and 20s. per cent upon the B stock. The report stated that the receipts amounted to £42,925, and for the corresponding period of 1856 to £41,219, showing an increase of £1,076. The debenture interests, rents, and other preferential charges for the half-year amounted to £38,660. Deducting these from the income receivable from the joint traffic account there remained £4,265. To this is added £1,250, the balance from last account, and £646, rents and other receipts, making a total of £6,161. The capital account to June 30 showed that £3,068,985 had been received, including £26,424 from revenue, and £2,931,666 expended on the Eastern Union, and £133,840 on the Harwich and Woodbridge branches and unsettled accounts, leaving a balance of £3,478. The amount raised on debentures was £745,113, including £600,000 at 5 per cent. The unissued debentures amount to £24,853. The estimated liabilities of the company in respect of revenue amount to £60,810, and the assets to £66,971, leaving a balance of £6,161. The liabilities in respect of capital account amount to £413,527, and the assets to £499,848, showing a surplus of £86,321.

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**FURNESS.**—The half-yearly dividend of this company was at the rate of 8 per cent. per annum. The capital account showed that £513,932 had been received, and £510,096 expended, leaving a balance of £3,836. The authorised capital amounts to £599,933. The revenue account for the half-year showed that £35,289 had been received, and £15,961 expended, including £1,347 for repairs of steamboats. The interest on debentures amounted to £2,724, and dividends on preference shares to £3,937, leaving a balance, with £3,907 from the former account, of £16,573 available for dividend on the ordinary shares.

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**HEREFORD, ROSS AND GLOUCESTER.**—The report showed by comparison with the half-year ended June 30, 1856, an increase of £1,224, rather more



than 11 per cent. over the June half-year of 1856. The net balance of profit on the half-year, amounting to £1,636, the directors recommended to be applied on account of capital, on which there still remains an adverse balance of £3,010, to clear which, and also to meet some few other liabilities, will require the appropriation of the net revenue of at least one other half-year. The directors therefore very much regretted that the declaration of a dividend must again be deferred. The total disbursements to the 30th of June were £340,784, leaving a balance against the company of £3,010.

**LANCASHIRE AND YORKSHIRE.**—The dividend of this company was at the rate of 5 per cent. per annum out of a balance of revenue of £371,248, and leaving £859 to be carried forward. The report stated that the total amount of share and mortgage capital chargeable on revenue for the half-year, excluding leased lines, was, ordinary capital £9,206,360; guaranteed 6 per cent., £794,000; loans, £3,333,326; moneys in advance of calls, £54,018; total, £13,387,744. The expenditure on capital account during the last half-year has been £152,909, of which £51,405 was for working stock, and £21,435 expended on the main line. The receipts of the company on revenue account during the last half-year have been £610,714 less £10,176 received for working the Blackburn line, £600,537. The receipts on the Lancashire and Yorkshire proper amounted to £537,269 against £532,604 in the same half of 1856, and the working and other expenses amounted to £229,157 against £206,715. The number of passengers conveyed was 3,749,732 against 3,153,571, showing an increase of 596,161, or 18·90 per cent. The increase in the miles travelled was 13·39 per cent. The tons of merchandise conveyed were 1,633,254 against 1,545,318, or an increase of £87,936 tons, or 5·69 per cent, and in the miles travelled 2·79 per cent. The capital account showed that £13,437,020 had been received, and £13,521,173 expended, leaving a balance against the company of £84,152.

**LANCASTER AND CARLISLE.**—The statement of accounts shows a balance of £93,578, out of which the directors recommend a dividend to be paid at the rate of 8 per cent. per annum, which, with the proportion payable to the Lancaster and Preston Railway Company and the interest on loans, will require £89,368, and a further sum to be carried to the renewal fund of £2,000, and towards Parliamentary expenses of 1856, £800; total, £92,168; leaving a balance of £1,389. The report was adopted.

**LLANELLY.**—The report stated that the earnings for the half-year ending the 30th June were £10,302, and the total outgoing charges £7,172, including £870 for extra items not likely to occur again. There was a further charge of £989 for interest on loans, leaving a balance of £2,140 in favour of the company. The preference dividends paid since the 30th of June amounted to £1,133. The capital account showed that £309,572 had been received and £297,036 expended, leaving a balance of £12,535. The report was adopted.

**MANCHESTER, SHEFFIELD AND LINCOLNSHIRE.**—The dividend declared here was 10s. per share, or at the rate of 1 per cent. per annum. The report stated that the accounts of the half-year showed a total revenue of £291,081 1s. 6d., a total expenditure of £141,734 15s. 11d., and a balance of net profit of £149,346 5s. 7d., which, with the balance of £4,500 14s. 10d. brought forward from the previous half-year, gives a total sum of



£453,847 0s. 5d. available for interest and dividend. The debenture and other interest charges against the half-year amount to £63,510 11s. 9d., the canal annuities to £13,734 4s. 3d., the dividend on debenture stock to £250, the dividend on the £8 preference shares to £23,685 9s. 4d., the dividend on the 3½ per cent. stock to £5,958 16s. 9d., and the dividend on the 6 per cent. preference stock (late £10 preference shares) to £26,160; making a total charge against the above net balance of £153,847 0s. 5d. of £133,299 2s. 1d., and leaving £20,547 18s. 4d. available for dividend on the ordinary stock of the company.

**MARYPORT AND CARLISLE.**—The half-yearly dividend declared was at the rate of 5 per cent. per annum. The report stated that £26,049 had been received during the half-year, against £23,927 at the corresponding period, showing an increase of £2,122. The expenditure amounted to £13,010, against £12,859, showing an increase of £151, which, deducted from the gross increase, leaves a net increase of £1,971 over the net revenue of the corresponding period of 1856. The capital account showed that £477,474 had been received, and £511,501 expended, leaving a balance against the company of £34,027. The revenue account for the half-year showed that £26,019 had been received, £13,878 expended on workings and renewals, and £3,104 paid for interest on loans, leaving £9,067.

**MIDLAND.**—The following was the rate of dividend declared by the company for the half-year, viz.:—£2 2s. 6d. per cent. on the consolidated stock; £1 8s. 9d. per cent. on Birmingham and Derby stocks; £3 per cent. on the Six per Cent. stocks; £2 5s. on the Four-and-a-half per Cent. preferential stock; 7s. 6d. upon each £16 13s. 4d. share; 2 per cent. on the Leicester and Hitchin preferential stock; 2 per cent. on the £5 shares; and 3½d. upon each £6 preferential share; leaving a balance of £2,834 for the next account. The traffic of the railway showed for the half-year an increase over that for the corresponding half-year of 1856 of £45,193—namely, in merchandize of £8,395; in minerals of £26,585; in coaching, of £8,768; and in cattle of £1,444. The balance available for dividend is £255,122, of which £16,006 is brought from the previous half-year. The capital account showed that £20,440,064 had been received, and £20,315,725 expended, leaving a balance of £124,339. The capital expenditure on the old lines amounted to £57,193 during the half-year; to £808 on the Ripley branch, and 131,581 on the Leicester and Hitchin line also, £23,212 on additional working stock, making altogether £211,794. The revenue account for the half-year showed that £819,180 had been received, and £379,269 expended, including £23,093 for rates, taxes, and Government duty, £15,000 for renewal of permanent way; £6,100 for increase of rolling stock, and £537 bad debts. The interest on loans and preference shares amounted to 198,655, the Matlock deficiency to £1,620, and redemption of mortgage debentures to £500, leaving, with 16,006 from last account, a disposable balance of 255,122.

**MONKLAND.**—The dividend of this line was at the rate of 8 per cent. per annum, being an increase of 1 per cent. on the previous dividend. The report stated that the receipt for the six months amounted to £39,979, the working expenses to £16,236, and the interest to £3,117, together, £19,357, leaving a balance of £20,621. The receipts for the corresponding period of 1856 amounted to £32,420, and the expenses and interest to £16,447, leaving a balance of £15,972, showing an increase in the gross receipts of £7,559, in the expenses of £2,800, and in the net revenue of £4,649 over



the corresponding half-year in 1856. The directors propose that new capital be raised to carry out the new works authorised in the present session of Parliament. They propose that it be offered to the present shareholders in the proportion of one £25 share for every £75 of stock held by them. The capital account showed that £657,966 had been received, including £329,879 on consolidated stock, and £671,902 expended, leaving a balance against the company of £13,996.

**NORFOLK.**—The dividend declared for the half-year was at the rate of 30s. per cent., leaving a balance of £514 towards the next account. The report stated that the amount credited to the Norfolk company by the Eastern Counties company was £42,925, as their proportion of the joint earnings, after deducting working and other charges, showing an increase of £1,706 over the corresponding period of last year. The capital account showed that £2,229,435 had been received, and £2,218,992 expended, leaving a balance of £10,442. The revenue account showed that £15,387 was the balance available for dividend.

**NORTH DEVON.**—The net amount applicable to a dividend was £1,330, which was declared at the rate of 18s. per cent., leaving a balance of £2. The report stated that the total traffic for the half-year is £10,803 as compared with £10,137 at the corresponding half-year of 1856. The next revenue balance for the past half-year to the 30th of June is £5,554; but, as the debenture and other interest, and the dividend on the preference stock have increased by £420, the net amount applicable to a dividend on the ordinary stock is diminished to £1,330. The capital account showed that £494,334 had been received, and £497,837 expended, leaving a balance against the company of £3,502. The revenue account showed that the six months' rent from Mr. Brassey amounted to £6,000, and transfer fees to £1 7s. 6d.; the expenses to £446, and the net revenue, as above, to £5,554.

**NORTH AND SOUTH WESTERN JUNCTION.**—A dividend of 4s. per share was declared. Upon the half-year's transactions there was a net balance of £1,411. The capital account showed that £81,414 had been expended on the main line, and £20,762 on the branch line to Hammersmith. The revenue account for the half-year showed that £2,626 had been received, and £1,061 expended, leaving a balance of £1,565.

**NORTH EASTERN.**—The dividends declared for the half-year were in accordance with the recommendations of the directors, who stated in their report that the receipts for the half-year amounted to £869,381, and the expenses to £386,321, leaving a balance of £483,060; the receipts for the corresponding half of 1856 amounted to £811,847, the working expenses to £374,046, and the balance to £437,801, showing an increase of £57,534 in the gross receipts, of £12,275 in the expenses, and of £45,259 in the net receipts, as compared with the corresponding period of 1856. The balance available for dividend on the Berwick revenue account, after the payment of all preferential charges, amounted to £172,341, and the directors recommend a dividend to be declared on the ordinary stock and shares of that section at the rate of 5 per cent. per annum, leaving a balance of £9,486 for the next account. On the York revenue account the disposable balance is £67,772, and the directors recommend that a dividend be declared on the ordinary stock of that section at the rate of 4 per cent. per annum, leaving £3,398 for the next account. The directors for the first



time announce the payment of a dividend to the ordinary shareholders of the Leeds section. After paying all preference charges, the account shows a balance of £15,133, and the directors recommend that a dividend be declared at the rate of £2 per cent. per annum, leaving a balance of £1,203 to be carried to the next account. The capital account showed that £8,350,136 had been paid up on the Berwick stock; £3,975,212 on the York stock; £1,810,868 on the Leeds stock; and £159,801 on the Malton and Driffield stock—together, £14,296,017. The total debenture debt amounted to £6,751,074, making with the capital stock £21,047,091. The expenditure on joint capital account amounted to £1,069,718, on Berwick capital account to £11,381,730, on York capital account to £5,865,286, on Leeds capital account to £2,664,955, on Malton capital account to £320,673, total £21,302,364; leaving a balance against the company of £255,273. The revenue account for the half-year ending on the 30th June showed that £296,425 had been received for passengers, parcels, horses, and mails; £566,788 for goods and mineral traffic, and £6,168 for rents, &c.; total, £869,381. The working expenses amounted to £350,429, wayleaves to £8,787, Government duty to £7,481, rates and taxes to £16,849; together, £383,541. The Malton and Driffield proportion amounted to £1,847, the Thirsk and Malton branch to £933; leaving a balance of £483,059. To this sum was added £13,475 due for conveyance of mails, making a disposable sum of £496,535. Of this the Berwick revenue account receive £283,522, or 57·1 per cent.; the York account £163,360, or 32·9 per cent.; and the Leeds revenue account £49,653, or 10 per cent.

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**NORTH STAFFORDSHIRE.**—A dividend at the rate of 4 per cent. per annum was declared, and a balance carried forward of £3,243. The receipts on the railway for passengers, horses, and mails amounted for the half-year to £43,218, being £6,086 over the corresponding period of 1855; the receipts for goods and live stock amounted to £79,059, showing an increase of £20,854 over the same period of 1855; and rents to £1,632, or £278 over 1855; making the total receipts £123,910, against £110,192 in the first half of 1856, and £96,691 in first half of 1855, showing an increase of £27,219 over the latter. The receipts on the canal for dues amounted to £53,850, being an increase of £17,082 over those of the first half of 1855; for freights, to £13,299, being an increase of £3,967; for sales of limestone, £5,264, being an increase of £552; for miscellaneous articles, £1,868, being an increase of £473; making the total receipts on the canal £74,283 for the half-year ending the 30th of June, against £72,952 in 1856, and £52,526 in the same period of 1855, showing an increase of £21,756. The capital account of the railway shows that £4,010,630 had been received, and £3,990,649 expended, leaving a balance of £19,981. The capital expended on the canal amounts to £1,170,000, making together £5,180,631 expended. The railway revenue for the half-year ending the 30th of June amounted to £123,910, and the expenses to £63,966, leaving £59,926. The canal revenue amounted to £74,283, and the expenses to £28,478, leaving £45,805. The net revenue for the half-year for the railway and canal, added to £8,175 from the London and North-Western Company, amounts to £113,906, from which is deducted £27,600, for interest loans, £29,250 for canal preference dividend, and £56,527 for ordinary dividend, leaving with other matters a balance of £3,234, which the accounts state is exclusive of £67,944 due by the London and North-Western to the 31st of December, 1856.



**OXFORD, WORCESTER, AND WOLVERHAMPTON.**—The dividend declared by this company for the half-year was at the rate of 6 per cent. per annum on the first guaranteed stock, amounting to £25,429, and of  $\frac{1}{2}$  per cent. per annum on the second guaranteed stock, amounting to £1,250. The accounts of the half-year showed a total revenue from all sources, including the receipts of the Stourbridge Canal, of £107,359 5s. 10d., and a total expenditure of £49,952 3s. 11d., leaving a balance of £57,407 1s. 11d., which sum, after deduction of £26,816 5s. 4d. for interest on debenture bonds, loans, &c., and £2,770 6s. 9d. interest on debenture stock, enabled the directors to propose the dividend above named. A comparison with the corresponding half-year of 1856 exhibits an increase of the gross receipts, amounting to £15,013 13s. 11d. in favour of the present half-year. The capital account shows an increase of £74,393 13s. 8d., of which £50,684 0s. 6d. is for the discharge of old liabilities, and the purchase of the Stratford Canal has been completed by the payment of £14,381 4s. 6d.

**SHREWSBURY AND HEREFORD.**—The dividend was at the rate of 4 per cent. per annum on the ordinary shares, and  $4\frac{1}{2}$  per cent. on the preference shares, less income tax. The report stated that the capital authorised by the Act of 1856 is £900,000, consisting of mortgage capital, £225,000; preference share capital, £50,000; and ordinary share capital, £625,000. The amount raised to the 30th June is £563,220, leaving a balance of £336,780 available for doubling the line when necessary, and for rolling stock and other liabilities. The traffic receipts for the half-year ending the 30th June amounted to £35,464, and for the corresponding period of 1856 to £31,988, showing an increase of about 11 per cent.

**SOMERSET CENTRAL.**—The usual dividend, at the rate of 4 per cent. per annum for the half-year was declared, and a balance carried forward of £272. The capital account showed that £110,317 had been received, and £188,475 expended, leaving a balance of £1,842.

**SOUTH DEVON.**—A dividend of 16s.  $1\frac{1}{2}$ d. per cent. on the old shares, and 18s. per cent. on the others was declared for the half-year, being a balance of £2,584 to be carried forward. The report stated that the traffic for the half-year amounted to £64,759 against £61,883 at the corresponding period of 1856; and the expenditure amounted to £34,784 against £33,444, leaving a profit of £29,975 for the past half-year. The balance brought from the previous half-year amounted to £5,377. The working profits of the period ending the 15th of March are £10,278, making, together with the balance brought from the 31st December last, a sum of £15,656, but the payment of debenture interest to the 15th of January and the further amount due to the date of adjustment bring the account at debit on the 15th of March. The profits on the aggregate stock of £1,469,425 from the 15th of March to the 30th of June are £23,134; but the proprietors of the whole shares are subject to a deduction of the debit balance to the 15th of March, amounting to £949, leaving a net available balance on 30th of June of £22,184. Out of this is deducted £5,070 for half-year's annuities of 10s. 9d. per annum from the 1st of March to the 1st of September, 1857; £2 250 for half-year's dividend on new shares for same period, leaving a disposable balance, including balance from last account, of £14,863.

**SOUTH WALES.**—Out of an available balance of £39,861, this company declared a dividend for the half-year at the rate of  $3\frac{1}{2}$  per cent. per



annum, leaving a balance of £1,209. The statement of receipts and payments showed that £4,378,950 had been received on capital account, including £1,230,868 on loans and debentures, and the total expenditure amounted to £4,372,152, including £160,698 subscriptions to other companies, leaving a balance of £6,798. The revenue account showed that £170,067 had been received, and £108,377 expended, including £5,000 on account of relaying the line from Landore to Loughor, and £500 for Newport station, leaving a balance of £61,689.

**SOUTH YORKSHIRE.**—The dividend here was at the rate of 2½ per cent. per annum, out of a balance of £15,616, being £111 to be carried forward. The report of the directors stated that the accounts for the half-year exhibit a gross income of £67,376 earned in connection with the railway and navigation at a total expenditure of £30,906, or 45·9 per cent., being 53·6 per cent. on the railway, and 84·6 per cent. on the navigation, leaving a balance of £36,469, which, added to £712 from the last account, makes an available sum of £37,181 for interest and dividend. Out of this is deducted £21,564 for interest on loans, rents, &c. The gross receipts, as compared with the corresponding half-year of 1856, show an increase of £10,874, or 19·2 per cent., which has been earned at an increased expense of £5,286. The capital account showed that £2,171,095 had been received, and £2,117,307 expended, leaving a balance of £53,787. The revenue account for the half-year ending the 30th of June showed that the receipts on the railway amounted to £40,037; the expenses to £21,452, or 53·58 per cent., and the balance to £18,584; the receipts on the navigation amounted to £27,339; the expenses to £9,453, or 34·58 per cent., and the net revenue to £17,885.

**STAINES, WOKINGHAM AND WOKING.**—There has been no dividend yet declared. The capital account showed that £357,293 had been received and £379,748 expended, leaving liabilities outstanding to the amount of £22,455. The traffic account from the 4th of June, 1856, to the 30th of June, 1857, showed that £13,697 had been received and £7,602 expended in working, and £4,144 interests on debentures, leaving a balance of £1,951.

**STOCKTON AND DARLINGTON.**—The dividend declared was at the rate of 10 per cent. per annum for the half-year, and a balance of £2,000 carried forward to next account. The receipts on revenue account amounted to £175,616, and the expenditure, taxes, &c. to £93,362. The interest on loans amounted to £9,921, leaving the available balance £72,332. From this was deducted £2,500 for improvements and alterations on the line, leaving £69,832.

**TAFF VALE.**—The directors of this company declared a dividend for the half-year at the rate of 8 per cent. per annum free of the income-tax. The accounts for the half-year showed that there had been received on capital account £1,045,778, and expended £1,073,228, leaving a balance against capital of £27,430. The receipts on the revenue account for the half-year were £118,688, and the expenditure £61,703, leaving a balance of £56,984. From this is to be deducted, for interest, &c., £21,016, leaving a disposable sum of £35,968.

**VALE OF NEATH.**—The dividend declared by this company for the half-year was at the rate of 4½ per cent. per annum, subject to income-tax.



The receipts for the half-year amounted to £43,323 against £32,150 at the corresponding period of 1856. There was concurrently with this increase in the revenue a diminution of working expenses from 50 per cent., in round numbers, to 47 per cent.—a saving 3 per cent.

**WARRINGTON AND STOCKPORT.**—The report stated that the total expenditure was £285,986, in which was included £8,250 forfeited to the Board of Trade, through the non-completion of the extension to Stockport, and £3,500 of accounts due. To meet the outlay the paid-up capital amounted to £169,510; the loans on mortgage to £62,700; loans by the directors, £15,000; other loans £23,969; leaving a balance of £14,806 to be provided for by new loans. The directors intended to apply to Parliament for powers to raise £33,786, which, with unissued stock amounting to £20,490, would legally provide for all unsecured loans and liabilities at present existing. The revenue account showed an income of £6,224 for the half year against £3,841 for the previous half-year, leaving a profit of £525, after paying all interest upon loans, mortgages, &c., and various arrears of ground rent. The £525 had been used in reduction of a deficit of £850 on the previous half-year. There was no dividend.

**WEST CORNWALL.**—This company did not declare any dividend—The revenue account showed the total receipts to have been £14,260, and the expenditure £10,802, leaving a balance of profit of £3,458. The balance of the general revenue account showed a sum of £1,843 to the credit of the company. The capital account showed a total receipt of £515,865, and expenditure of £515,101, leaving a balance of £764.

**WEST LONDON.**—The report stated, that at a half-yearly meeting of the company on the 10th of March, a resolution was passed authorising a dividend of £2 per share to be paid to the first-class preferred shareholders. A sum of £6,400 was thus distributed. The directors recommend a further division of £1 per share among the holders of first-class preference shares. The statement of receipts and disbursements showed that £308,515 had been received, and £304,745 expended, leaving a balance of £3,769 at the bankers. The revenue account from the 30th June, 1849, to the 30th of June, 1856, showed that £16,874 had been received, and £7,033 expended (including £5,427 legal expenses), and £6,400 was paid in dividend on 3,200 first-class shares, leaving £3,440 surplus revenue. The dividend in accordance with the report was declared.

**WHITEHAVEN AND FURNESS JUNCTION.**—The dividend here declared was at the rate of 5½ per cent. per annum on the preference shares, and a balance carried forward of £311. The gross traffic receipts for the half-year amounted to £10,427, and the expenditure to £5,123. On comparing the figures with those of the corresponding period of 1856, the income shows an increase of £1,929, and the expenditure a decline of £337.

**WHITEHAVEN JUNCTION.**—A dividend for the half-year at the rate of 3½ per cent. per annum was declared. The capital account to which £3,000 has been added during the past six months, is now closed, the total amount expended being £193,000, including £48,000 raised by loans on mortgage. For the half-year ended the 30th of June last, the income on revenue account amounted to £11,885, and the expenditure, including Government duty and taxes, to £6,581. The balance to the credit of the company on revenue



account, amounting to £5,304, is reduced by payment of interest on loans and preference shares and the purchase of new rolling stock, &c., to £1,741.

**CALEDONIAN.**—The report stated that there was a balance of £79,225, and after payment of £16,766 dividend on original preference stock, and of £5,735 dividend on new preference shares, there remained £56,724. Out of this the directors recommended a dividend on the ordinary stock at the rate of  $3\frac{1}{2}$  per cent. per annum, amounting to £53,873, and leaving a surplus of £2,851, which, with the balance from the previous half-year of £6,536, made £9,387 to be carried to the credit of an account to meet contingencies. The revenue for the half-year ending the 31st of July last amounted to £324,911 as against £290,039 at the corresponding period of 1856, showing an increase of £34,872. The working expenses amounted to £132,612, or £40 16s. per cent. against £134,091, or £46 4s. 7d. per cent. at the same period of last year, showing a decrease of £1,479. The average rate of debenture interest has been £4 9s. 7½d., against £4 10s. per cent. for the corresponding half-year of 1856. The capital account showed that £8,436,121 had been received, including £3,215,449 on ordinary capital, £1,182,710 preference capital, £2,248,742 on loans, and £1,770,911 guaranteed lines. The expenditure amounted to £8,346,387, of which £3,767,904 was expended on the Caledonian proper, £477,293 on the Garnkirk. £596,784 on the Clydeside Junction, £876,009 on the Greenock, £411,441 on the Wishaw, £358,619 on the Barrhead, £843,401 on rolling stock, and £318,851 loss on shares purchased on other lines, leaving a balance of £89,733. The revenue account showed that £326,772 had been received for the half-year ending July 31, and £140,735 expended, leaving a balance of £186,037. Out of this is deducted £4,567 for duty, &c., £57,970 interest on loans, £2,572 debenture charges, £904 Parliamentary expenses, and £42,798 guaranteed dividends, leaving a balance as above of £79,225. The report was adopted.

**DUNDEE, PERTH, AND ABERDEEN JUNCTION.**—The report stated that the receipts on the Dundee and Perth line during the half-year amounted to £23,702, and the surplus from the Dundee and Newtyle line to £430, making, with £804, the balance from the last account, £24,936. From this, £9,535 was deducted for working expense, £5,131 for interest on loans, and £1,017 for rents, poor-rates, &c., making together £15,683, and leaving an available sum of £9,253. Out of this the directors proposed £6,459 for dividend on the preference shares, and £2,793 for dividend on the ordinary shares, which at the rate of  $1\frac{1}{2}$  per cent. per annum, or  $\frac{1}{2}$  per cent. above the dividend declared at the corresponding period of last year, left a balance of £172. The average rate of interest on the debenture debt appeared to be £4 17s. per cent. The dividends as above were declared.

**EDINBURGH AND BATHGATE.**—The dividend declared was at the rate of 4s. 8d. per share. The expenditure of the company on the capital account to 31st July, 1857, is £257,251 18s. 8d. leaving a balance in hand of £315 0s. 9d. The income on the dividend account amounted to £4,596 2s. 1d.; expenditure £2,119 13s. 5d.

**EDINBURGH AND GLASGOW.**—The report stated that on comparing the receipts of the half-year ending July 31st last, with those for the corresponding period of 1856, there appeared an increase of £3,836 in the receipts for passengers, of £6,002 for goods, and £322 for horses, parcels, and mails, making together an increase of £10,960. With this increase of traffic there had been a considerable reduction in the working



expenses—namely, from £80,561 for the half-year ending July, 1856, to £54,390 for the half-year ending July 1857—thus saving £6,171. The net balance, after paying interest, taxes, and rents, and providing £12,000 to meet the claims of the Stirling and Dunfermline Company, amounted to £41,483, from which the directors recommended payment of the 5 per cent. preference dividend amounting to £6,209, and of a dividend on the ordinary stock at the rate of 3 per cent. per annum, or £33,350, leaving a balance of £1,922. The capital account showed that £3,634,776 had been received, and £3,588,938 expended, leaving a balance of £45,838. The revenue account showed that £144,919 had been received, and £59,013 expended in working and other expenses, 23,547 paid for interest on debentures and loans, £4,125 dividend on Stirlingshire Midland Junction stock, £4,750 rent payable to the Edinburgh and Bathgate Railway Company, and £12,000 reserved on account of the rent of Stirling and Dunfermline Railway, leaving a balance of £41,483. The dividend as recommended was adopted.

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**EDINBURGH, PERTH, AND DUNDEE.**—The report of the directors of this company stated that the gross revenue for the half-year amounted to £87,700, being £2,700 and £9,204 above that of the corresponding periods of 1856 and 1855 respectively. Of the first-class debentures fully three-fourths, or about £630,000, have been renewed for periods varying from one to five years, at rates not exceeding  $4\frac{1}{2}$  per cent. per annum. The directors recommend that as opportunities occur the whole of the second-class debenture debt should be replaced by debenture stock bearing a fixed rate of interest. The disposable revenue amounted to £44,789, out of which was deducted £18,074 interest on the first-class debentures; £7,197 interest on the second-class debentures; £1,954 dividend on Granton preference stock; and £10,930 on the £5 preference stock, at the guaranteed rate of 4 per cent. per annum, leaving a surplus of £6,633. Out of this the directors recommended the payment of a dividend on the ordinary stock of the company at the rate of 1 per cent. per annum, which would absorb £6,276 and leave £357. The capital account showed that £3,302,434 had been received and £3,300,230 expended, leaving a balance of £2,204. The report was adopted.

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**GLASGOW AND SOUTH WESTERN.**—The dividend declared by this company was at the rate of 5 per cent. per annum and a balance carried forward of £1,987. The report stated that the total expenditure on capital account to the 31st July last amounted to £4,556,085. The passenger traffic showed an increase of £2,677 over that of the corresponding half of 1856. The average fare received from each passenger in 1856 was 1s. 8 $\frac{1}{2}$ d., and during the last half-year 1s. 8 $\frac{1}{2}$ d. The goods traffic showed an increase of £2,542, and the mineral traffic of £12,661. The annual revenue of the company amounted, for the year ending July, 1855, to £290,526; ending July, 1856, to £313,062; and ending July 31, 1857, to £347,542, showing an increase of £22,536, or  $7\frac{1}{2}$  per cent. in 1856 over 1855, and of £31,480, or 11 per cent. in 1857 over 1856, or an addition to the traffic for the first half of 1857 of  $19\frac{1}{2}$  per cent. over that of the first half of 1855. The working expenses amounted to 40 per cent. of the receipts. The total mileage performed during the half-year had been 896,810 miles, or an increase of 56,972 miles over the corresponding period of 1856.

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**NORTH BRITISH.**—The report of this company stated that the balance of revenue, after deduction of expenses, interest, and dividend on guaranteed capital, was £37,391 4s. 5 $\frac{1}{2}$ d., out of which the directors recommended a



dividend to be declared on ordinary consolidated stock, at the rate of 2½ per cent. per annum, and that the surplus of £2,987 17s. 10d., be carried to the credit of the current half-year. The abstract balance sheet showed a total expenditure of £4,473,833, and a sum of £22,255 at the credit of capital. The report was adopted.

**SCOTTISH CENTRAL.**—The dividend declared was at the rate of 5½ per cent. per annum, less income-tax, and £357 carried to next account. The total receipts for the half-year amounted to £74,839; the working expenses to £32,750; the interest on loans, taxation, Tay ferries, and Parliamentary expenses to £16,170; the two latter making £47,920, and leaving a surplus of £26,918. The traffic receipts, as compared with the corresponding period of last year, show an increase of £2,550, and the working expenses an excess of £1,175, leaving the net increase £1,375. To the surplus profit of £26,918 the balance of £1,488 from the last account is added, making a disposable sum of £28,407.

**SCOTTISH NORTH EASTERN.**—The dividend of this company was at the rate of 3½ per cent. per annum. The report stated that the receipts for the half-year ending July 31 amounted to £89,788, and the expenditure to £44,195, leaving a balance of £45,592. Of this sum the Aberdeen revenue account takes 7-10ths, or £31,914, and the Scottish Midland 3-10ths, or £13,678. The capital account showed that £1,323,959 had been received on the Aberdeen capital stock, and £585,775 on the Scottish Midland capital stock, making together £1,909,734. The amount raised on loans and debenture stock amounted to £699,011. The company was authorised to raise £1,930,689 on shares, and £743,000 on loan, together £2,673,689. The expenditure on Aberdeen capital account to the 31st of July last, amounted to £1,856,405, on Scottish Midland capital account to £667,899, and on joint account to £129,758; total £2,654,062. The revenue account showed that £89,788 had been received during the half-year, being at the rate of 55·813d. per train mile, and the expenses £44,195, or 27·473d. per train mile, leaving a balance of £45,592. The balance against the Aberdeen revenue account, in respect of traffic and the 7 per cent. guaranteed dividend, amounted to £73,303, up to the 30th of April last.

**CORK AND BANDON.**—The report stated that the receipts of the last six months showed an increase of £583 as compared with the corresponding period of the previous year. The working expenses showed a decrease of £233. The accounts for the half-year showed a profit of £1,813 applicable for dividends, which the directors recommended to be paid on No. 1 preference shares at the rate of 4 per cent. per annum for the half-year, and on the No. 2 preference shares at the rate of £6 per cent. per annum on the paid-up portion of that stock, leaving a balance of £143 for the next account. The capital account showed that £351,992 had been received and expended. The revenue account showed that £6,923 had been received, and £3,421 expended, including £401 the arrears of former accounts, which were now paid, leaving a balance of £3,502, which, added to £3,118, at the credit of revenue account, made a disposable sum of £6,620. Out of this was deducted £927, dividends on No. 1 preference shares, £566 on No. 2 preference shares, and £1,479 on account of interest on loans, leaving balances in favour of the company to the amount of £3,648. The report was adopted.

**DUBLIN AND BELFAST JUNCTION.**—The dividend declared was 18s. per VOL. XVII.



share, and a balance of £6,704 carried forward. The report stated that the receipts for passengers and goods during the half-year amounted to £26,709 against £25,957 in the same half of 1856, showing an increase of £752. The gross revenue from traffic during the half-year amounted to £29,027, and the working expenses to £11,395, or 39½ per cent. of the receipts. The total income of the company during the same period amounted to £32,628, and the total expenditure to £18,287, leaving a balance of £14,340, which being increased by £8,119, the balance from the preceding half-year made an available sum of £22,559 for dividend. The capital account showed that £1,058,062 had been received, and £1,085,695 expended, leaving a balance of £27,633 against the company.

DUBLIN AND DROGHEDA.—The report stated that the traffic for the six months ending 30th June, 1857, amounted to £38,960. The receipts of the company for the past half-year exceeded those for the corresponding part of 1856 by the sum of £1,045, while the working expenses exceeded those of the same period by £462, thus leaving an increase in the profit of £583. The net profit for the half-year, after deducting all sums payable for interest, and also the dividend in preference shares, amounted to £12,221, which, added to the balance of profit on the previous half-year, left the sum of £15,212, out of which the directors recommended a dividend of £1 13s. 9d. per old £75 share, and 11s. 3d. per new £25 share, being at the rate of 4½ per cent. per annum. The report was adopted.

DUBLIN AND WICKLOW.—The report stated that the receipts on the Kingstown line for the half-year amounted to £26,018, and for the corresponding period of 1856 to £24,918, showing an increase of £1,099. The receipts of the Kingstown line for the year ended June 30th last amounted to £59,046, and the expenditure, rent, and all other charges to £56,358, leaving a balance of £3,047. The receipts of the Kingstown line for the corresponding year ended June 30, 1856, amounted to £53,942, showing an increase of £5,464 (less £2,424 received from the Kingstown Company for subscriptions unexpired at the date of the lease), being an actual increase of £3,039. The receipts of the Kingstown line having exceeded £55,000, the sum of £10,504 is the amount remaining available on revenue account. The directors recommend a dividend of 3s. per share on the paid-up capital of the Wicklow Company, which will absorb £7,156, and leave £3,348. The capital account showed that £784,888 had been received, and £780,236 expended, leaving a balance of £4,652. The revenue account of the Wicklow line showed that £13,528 had been received, and £7,423 expended, leaving a balance of £6,103. The dividend in accordance with the report was declared.

DUNDALK AND ENNISKILLEN.—The dividend declared by this company was at the rate of 5 per cent. per annum on the preference shares, and of 6s. per share on the original shares. The report stated that the total receipts for the half-year amounted to £11,424, being an increase of £2,166 over the corresponding period of 1856.

GREAT SOUTHERN AND WESTERN.—The dividend here was at the rate of 6 per cent. per annum, and a balance of £5,101 carried to the next account. The total traffic receipts for the six months amounted to £159,140, against £170,900 in the corresponding period of 1856, being a decrease of £11,760. The net surplus revenue for the half-year amounted to £75,397.



**LONDONDERY AND ENNISKILLEN.**—The report stated that the receipts for the half-year ending June 30, amounted to £17,737, and for the corresponding period of 1856, to £16,105, showing an increase of £1,632. The expenditure amounted to £9,700, against £9,429 in the first half of 1856, showing an increase of £271 in the expenses, which, deducted from the £1,632 increase of traffic, left £1,361 as the increase in the net revenue. After providing interest on loans there remained a disposable balance of £4,211. This sum was sufficient, after payment of dividend upon the 6 per cent. £10 shares, to give a dividend of 3s. 3d. per share on the £12 10s. preference shares, leaving a balance of £70. The capital account showed that £687,178 had been received, and £691,670 expended, leaving a balance of £4,492 against the company. The report was adopted.

**MIDLAND GREAT WESTERN.**—The dividend announced was at the rate of 5 per cent. per annum, free of income-tax, and a balance of £3,752 carried forward. The report stated that on the line from Dublin to Athlone, and the Longford and Cavan branches, the receipts from passengers and mails was £41,407; increase, as compared with the corresponding period of last year, £3,582; goods, cattle, &c., £31,819; increase, £5,640; showing an increase of £9,222 in 1857, arising from every department of the traffic. The total income from the incorporated railway and canal was £84,563 4s. 8d.; disbursements, £53,737 6s. 10d.; net profit for the half-year, £30,825 17s. 10d., which, with the surplus from last half-year, £2,678 1s. 8d., left a disposable sum of £33,503 19s. 6d.

**ULSTER.**—The dividend of this company was 30s. per share, less income-tax, being at the rate of 6 per cent. per annum, and a balance of £3,011 carried to the reserve fund. The receipts for the past half-year showed an increase of £2,800 over those of the corresponding period of 1856, and the expenses during the same time showed an increase of £1,655. The earnings of the half-year were £36,841, and the working expenses, including rates and taxes, £15,013, leaving a net balance of £21,828. After deducting from this sum the interest on borrowed capital, there remained £17,839 applicable for dividend. During the half-year the sum of £5,634 had been paid on capital account, which showed that £719,140 had been received, and £761,598 expended, leaving a balance against the company of £42,458.

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## LONDON AND EASTERN BANKING CORPORATION.

A COURT was held at Ipswich on Monday, September 28, before Vice-Chancellor Sir W. P. Wood, to adjudicate on a petition presented by two shareholders of the bank under the Joint-Stock Companies Winding-up Acts, 1848 and 1849, praying that an order might be made for its winding-up.

Mr. Roxburgh appeared for the petitioners (instructed by Messrs. Tucker, Greville, and Tucker); Mr. Glasse, for shareholders; Mr. Bovill, for General Brookes and other shareholders; Mr. Rodwell, for the Agra Bank; Mr. Druce, for the Oriental Bank; and Mr. Bromehead, for Colonel Yates, a director of the London and Eastern Bank.

Sir W. P. Wood inquired if there were any special reasons why he should hear the case during the vacation.



Mr. Roxburgh said that in March last a committee had been appointed to wind up the affairs of the bank. The bank had a very large business. The whole of the paid-up capital was lost, and its charter provided that the bank should be dissolved when it had lost 75 per cent. of its capital. The company was not then dissolved, but continued in the Oriental Bank, that bank lending a sum of money to rescue the Eastern Bank of pressing liabilities. That might have been a desirable course at the time, but circumstances had since become developed which called for the presentation of this petition. The arrangement referred to handed over the whole of the estate to the Oriental Bank. The shareholders had previously paid £50 upon each share, and they had since been required to give their promissory notes at twelve months for a further £50 per share. His clients objected to pay this second call, which they thought ought not to have been made. The paid-up capital of the bank was £250,000, and it appeared that at the time of its suspension, on the 7th March last, a sum of £237,000 was owing by one of its directors, Colonel Waugh. This was exclusive of a very large sum advanced to other directors. During the time this state of things was going on—a time when every shilling of the capital had been lost and liabilities had been incurred to the further amount of £200,000 or £300,000—the directors had been paying dividends at the rate of 6 per cent. out of the alleged profits.

Sir W. P. Wood—What is it that you immediately ask?

Mr. Roxburgh—For an order against the Oriental Bank. They were about to sell immediately. The estate of Colonel Waugh ought to be taken care of.

Sir W. P. Wood—They could not see you on calls.

Mr. Roxburgh—No.

Mr. Druce said the Oriental Bank were not making any attempt to sell the property referred to.

Sir W. P. Wood again inquired, why bring the petition before him during the vacation? He had heard nothing to convince him that irremediable damage would be done.

After a few words from Mr. Glasse and Mr. Roxburgh.

Mr. Druce objected to the petition. The Oriental Bank had advanced upwards of £100,000. The pending of the petition might have the effect of paralyzing arrangements.

Mr. Glasse observed that he appeared, not for the directors, but for the holders of 2,325 shares, who were prepared, if this petition were dismissed, to pay up their calls.

Sir W. P. Wood said he thought the petition ought to stand over for the present.

Mr. Bovill said, there was an arrangement under which the Oriental Bank was to advance £10,000 more. It was not desirable that this petition should be acceded to.

Mr. Druce.—Its effect would be to place the bank for two months in a position of difficulty.

Sir W. P. Wood.—At present I see no reason why the petition should be heard in the middle of the vacation. The same circumstances existed six months ago. How many shares do the petitioners hold?

Mr. Roxburgh.—Two shares of £50 each. The amount may be small, but the accounts of the bank require investigation.

Mr. Druce suggested an adjournment without prejudice, or the dismissal of the petition.

Sir W. P. Wood.—If I dismiss this petition there is nothing to prevent another petition being presented to-morrow.



Mr. Glasse observed that, although circulars had been issued calling upon them to do so, and there were 88 shareholders in England, not a single independent shareholder had come forward to support this petition.

Sir W. P. Wood referred to a case quite as unfavourable, in which the Master of the Rolls found considerable difficulty in deciding that there should be a winding-up order, and consented to the shareholders winding up the company themselves.

Mr. Roxburgh referred the Court to the case of the Cheltenham and Gloucestershire Banking Company, a weaker case than this, although analogous, in which it had granted a winding-up order.

Sir W. P. Wood observed that in this case, although the shareholders had an equal right, two only appeared to take a different view from the other shareholders. He did not see any harm in deferring the consideration of the order.

Mr. Druce.—What the bank fears is that they can hardly proceed pending a petition of this kind.

Sir W. P. Wood.—There is no possible help for that. It would be an exceedingly bad precedent to hear a petition of this kind during vacation. Unwilling that gentlemen should be put to so great expense, I suggested that it should not be brought on.

Mr. Roxburgh.—Unfortunately the suggestion was not received until the advertisement had been issued. Mr. Roxburgh proceeded to urge that, although the two shareholders represented by himself had paid only £100, and were at present liable upon calls to the amount of only £100 more, they were quite satisfied as matters were proceeding, that the additional £50 upon each of the two shares would not meet their liabilities. The course pursued by the directors had been most reckless and disgraceful. They had not as yet rendered the smallest account to the shareholders. In their accounts published no mention was made of the advances to the directors, which altogether amounted to about £389,000. Within six months every farthing of the capital of the bank was gone among the directors. Were shareholders to have no remedy? The accounts of the bank ought to be investigated. It might turn out that they were not as represented, and that £500,000 had not been lost by these gentlemen lending money to each other. Such a transaction must be investigated. He was satisfied that upon the Court hearing the petition he should get by a short cut that which he was sure the Court would grant if the petitioners were to file a bill.

Sir W. P. Wood.—There might be difficulties in totally disposing of the petition now. Mr. Glasse observed that the respondents had a triumphant answer. They could not consent to the petition standing over, because it would occasion a serious amount of difficulty and embarrassment. It would be an abuse of the Act of Parliament.

Sir W. P. Wood.—It will be a bad precedent, but under the circumstances I will hear the petition during the vacation. You may proceed with the case.

Mr. Roxburgh then proceeded to read the petition. It is sufficient here to enumerate its more salient points. The company was formed in 1854, in 5,000 shares of £100 each, of which £50 per share was paid up. The paid-up capital was thus £250,000. The charter required the directors to call a general meeting of the shareholders whenever the company had lost £25 per cent. of its capital; and whenever a loss of at least 75 per cent. had been incurred, any shareholder might call a meeting with a view to the dissolution of the company. The directors of the said company were the Hon. Cadwallader Erskine, chairman; Mr. John



Carnac Morris, deputy-chairman; Colonel Chadwick, Mr. Henry Fendall, Mr. John Edward Stephens, and Colonel William Petrie Waugh; and the said John E. Stephens was also the manager. Very shortly after the said company had commenced business the directors commenced making advances out of the paid-up capital of the said company to each other, on insufficient or without any security other than personal, and at a rate of interest considerably lower than would and ought to have been obtained for such advances had the same been made to persons unconnected with the said directors and in the ordinary and proper conduct of the business of the said bank, and among others to the said John Carnac Morris, John Edward Stephens, and Colonel Waugh. The directors advanced and lent to Colonel Waugh the sum of £237,000 upon security of a nature and value wholly insufficient to warrant such an advance, even if made *bona fide* to a stranger; and upon the realization of such security a loss to the amount of £100,000 and upwards, or some other very considerable loss, will in all probability arise. That the said Colonel Waugh has since the stoppage of the business of the said banking company become bankrupt. That the mode in which such advances had been made and the capital of the company dealt with by the directors was wholly concealed by them from the shareholders until after the failure of the said company, and, although they continued to hold meetings of the shareholders, no mention whatever was made in any of their accounts or statements that the company was in any other than a flourishing condition, and that its paid-up capital was invested upon good and sufficient security. That the first annual meeting of shareholders in the said company was held on the 31st of July, 1856, when a report was presented to the directors, with the account of assets and liabilities; but neither in the statement of assets nor in the said report is there any mention made of the advances made to the said directors. That the directors, according to the provisions of the said statute, published in the *London Gazette* a monthly statement of assets and liabilities, and the last monthly statement which they published of the assets and liabilities of the said company on the 27th of February, 1857, dated from the head office in Cannon-street, and signed by the said John Edward Stephens, manager, and among the assets is the following item:—"East India and Government securities, was bills of exchange, Treasury and agency draughts, credits, discounts, and cash in hand, £989,925 14s. 4d." That such item was delusive and untrue, inasmuch as therein was included the advances made to the said Colonel Waugh, then amounting to £237,000, which absorbed nearly the whole of the paid-up capital of the company, and which security the directors then well knew was not only insufficient, but not immediately available even to the extent of its sufficiency, and it included also the advances made to the said John Carnac Morris and the said John Edward Stephens, the manager. That in less than a month after the publication of the said statement, the business of the company as bankers stopped, and a meeting of the shareholders was called and held on the 25th of March, 1857, at which meeting the shareholders were for the first time made aware of the alarming position of their affairs, and that the liabilities of the said company over and above the assets expected to be realised exceeded £240,000, and that not only was the capital paid up of £50 on each share lost, but that it would require at least the remaining £50 per share to be paid up by the shareholders, who were all individually responsible for the full amount of the total liabilities of the said company.

Mr. Roxburgh proceeded to state that all the material averments in the petition were uncontradicted by the affidavits since filed by the other side.



To refer more in detail to documents ; it was under such a state of things that at the second annual general meeting of the proprietors of the bank, held on Monday, the 21st of July, 1856, resolutions were passed, including the following :—

“ Moved by the Hon. J. O. Erskine, seconded by Mr. John Carnac Morris :—

“ ‘ That the report, balance-sheet, and accounts, as read by the manager be approved and adopted.’

“ Proposed by Mr. W. Felgate, seconded by Colonel Bond :—

“ ‘ That the steps taken by the directors for establishing branches of the corporation in Park-lane and Pall-mall be approved by this meeting.’ ”

Subjoined is a copy of the above referred to :—

“ The directors, in meeting the shareholders for the first time, for the purpose of laying before them the accounts for a complete twelvemonth, have great satisfaction in drawing their attention to the successful result of the bank's operations for the year 1855.

“ The audited accounts have already been placed in the hands of the shareholders, and from them it will be seen that the net profits of the year, after payment of all expenses and writing off bad debts, amount to £25,378 7s. 5d., exceeding 10 per cent. upon the paid-up capital of the bank. The shareholders have already received for the past year two half-yearly dividends at the rate of 6 per cent. per annum, and on this occasion the directors do not recommend any further distribution of the year's profits, but purpose reserving the balance, viz., £10,378 7s. 5d., to be carried to the credit of the rest, or surplus fund. which they are desirous of gradually and steadily accumulating.

“ It will be observed that the accounts now presented exhibit the bank's operations only for the year ending the 31st of December last, it being impracticable to close and exhibit them to a later period, in consequence of the necessity for awaiting the receipt of the audited accounts of the Calcutta and Bombay branches, before the general balance-sheet can be struck and the actual profits of the bank ascertained ; but, from the large profits made at the head office and home branches during the past half-year, the directors have ample funds out of which to declare the usual dividend at the rate of 6 per cent. per annum to the 30th of June last, and the warrants for such dividend will be issued to the shareholders immediately, payable on and after the 31st. instant.

“ The directors desire to call the attention of the shareholders to the great and steady increase of the bank's operations, as shown by the statements published in the *London Gazette*—that whereas the total amount of the assets and liabilities of the bank amounted on the 30th of June, 1855, to the sum of £428,364 16s. 8d., they had increased by the 30th of June, 1856, to £1,166,721 4s. 5d.

“ The directors feel confident that the practice they have introduced of offering to the public a higher rate of interest than that granted by other London banks for sums deposited for long fixed periods is founded on sound principles, and cannot fail to prove of much advantage, since they are enabled to employ the funds thus obtained through the Indian branches of the bank safely, and at highly remunerative rates.

“ The bank has already received considerable sums in deposit for periods fixed at from three to five years certain, at  $4\frac{1}{2}$  to 5 per cent. interest. For sums deposited for short periods, or at call, the bank, having only the same field for employment of such funds as the other banks, does not, of course, allow higher rates of interest than the current London rates.

“ The Indian branches, moreover afford a ready outlet for the profitable



employment of such portion of the bank's capital as cannot be advantageously used during periods of great abundance of money in this country.

"The success which has attended the establishment of the Hyde Park branch has induced the directors to open two other branches in London—viz., one at 44, Mark-lane, and the other at 20, Pall-mall—from which they anticipate much advantage, and resolutions to confirm which will be brought before you at this meeting.

"JOHN C. ERSKINE, Chairman.

"J. E. STEPHENS, General Manager."

The following is a statement of the liabilities and assets of the company to the 31st of December, 1855 :—*Liabilities*—To shareholders on capital account, £250,000; fixed and floating deposits, and drafts in circulation, £380,404 18s. 3d.; profit and loss, £25,378 7s. 5d.; total, £655,783 5s. 8d. The assets are—By Indian branches, £57,300; Exchequer bills, Government securities, bills of exchange, Treasury and agency drafts, and cash in hand, £252,801 7s. 3d.; bills discounted, advances, and credits, £335,709 10s. 4d., stamps, £216 18s.; preliminary expenses, bank furniture, &c., £6,755 10s. 1d.; total, £655,783 5s. 8d. In the profit and loss account, the net profit carried to dividend account for the year ending December 31, 1855, is stated at £25,378 7s. 5d., and the gross profit during the same period at 28,826 8s. 11d.

Mr. Roxburgh remarked that in the above report not a word was said about the directors' advances to themselves, and that it was impossible for any shareholder to suppose for a moment that at this time every farthing of the capital of the bank had found its way into the pockets of the directors. This report, as signed by the manager, Stephens, was utterly delusive and untrue, and the directors must have known it. Stephens and Carnac Morris were two directors who had made affidavits in reply to this petition, but their affidavits failed to meet its allegations. Not one line, in fact, had been answered. The petitioners, under such a state of circumstances, had ceased to have any confidence, and they objected to the conduct and management of the affairs of the bank being retained by a committee in the most remote way subject to their influence. The petitioners believed at the time that the arrangement with the Oriental Bank might be a temporary one, and therefore not disadvantageous. The case was different now. The Eastern Bank had large transactions and accounts, yet the Oriental Bank had got all this business without the payment of anything for goodwill. The supervision had been left to five gentlemen of fortune, who knew little or nothing of business. Mr. Stewart was the manager; and quotations which he would make from the affidavit of Mr. Stewart would show the present state of affairs. As coming from a gentleman opposed to the petition, they did not convey a very favourable view of the prospects of shareholders if they remained under the control of that gentleman and the committee of management.

Subjoined are a few of the leading statements of Mr. Stewart :—

"That I have been for twenty-one years engaged in banking, and during upwards of the last thirteen years I have held and now hold a situation as one of the principal officers in the Oriental Bank. That on the 6th of April, 1857, I was appointed the manager of the London and Eastern Bank, in endeavouring to arrange its affairs. That in March, 1857, the debts and liabilities of the said bank were found to be £397,724, and the general assets were estimated to amount to £413,452, but the greater part of such assets not being immediately available, and the liabilities being pressing, the directors determined not to undertake any new business. That on the



20th of March Mr. J. E. Coleman addressed a circular to the several shareholders, in which he stated that the best investigation which the time allowed enabled him to make was, by proper management, the debts that were owing, together with the securities held by the bank, could be realised, so as to pay all the engagements of the bank and leave a surplus. Having referred at great length to the circumstances under which the Oriental Bank had, subsequent to the 7th of March, advanced £104,000, and three other Indian banks had also given considerable aid, security being given to the Oriental Bank in the form of the promissory notes of shareholders at twelve months, and other security, the affidavit states that the four banks had engaged to give such aid as was necessary to carry out all the engagements of the bank with their creditors, but stipulated that the shareholders should not only give the said promissory notes to an amount satisfactory to the bank, but also place the property of the bank under their control. That it was found necessary to remit forthwith a sum of £104,000, to meet the liabilities of the bank in India. That among the resolutions come to by the committee and said manager was one that Mr. Stephens be required to resign the office of manager of the bank; that all the shareholders present at a certain meeting do at once sign the said promissory notes for 50 per cent., payable on their shares; that all absent shareholders be called upon for the like; that the last-mentioned resolution had been signed by upwards of 2,500 shareholders; that a circular dated March 28, 1857, was signed by Colonel Yates, Henry E. Beville, and W. N. Ganin, most earnestly requesting co-operation, in order that disastrous and ruinous consequences may be averted, and that they hope by the arrangements referred to therein they may preserve a portion of the capital subscribed for division. Mr. Stewart proceeds to state that when the aforesaid promissory notes were thus taken, the said committee of shareholders had solid reason to hope that they would be enabled to proceed with and effect the liquidation of the liabilities of the bank, without calling upon the shareholders, who had given the promissory notes for actual payment; that it had been agreed that all the negotiable securities and other assets of the London and Eastern Bank, including the plate, fixtures, furniture and effects belonging to Colonel Waugh, Mr. Bralne and others, should be placed under the control of the Oriental Bank, and that the Oriental Bank, upon the verification of Mr. Coleman's valuation of assets, had agreed to make advances from time to time to the extent of £120,000; that the (Mr. Stewart) commenced his duties as manager on the 11th of April, 1857; that the debts and liabilities of the bank were then, according to Mr. Coleman, the accountant, £340,240, and the assets £331,010; that the board, in compliance with the wish expressed by the assisting banks, have made a call on the shareholders. The committee, however, felt it right to intimate that this call would only be enforced against those shareholders who might not give their promissory notes, and are glad to say that the shareholders in England who have omitted to give their notes are very few, and they have every belief that the shareholders in India, as well as in England, will concur in giving their notes. That they have requested Mr. Coleman to investigate all the affairs of the bank from its first commencement, and they will be prepared, at a future occasion, to lay the result before the shareholders; and the directors, in whose name this report is formally issued, have pledged themselves (and hereby renew that pledge) to afford every information and assistance to Mr. Coleman. The committee at the same time think it right to state to the shareholders that they consider that at the present time any detailed statement of the transactions in which the directors or officials have been personally engaged, might impair the due progress of the administration. They are of opinion,



and they hope it will be the opinion of the shareholders, that as the arrangements made will enable the bank to fulfil its engagements to the public, the public can at the present time have no right to inquire into their affairs if such inquiry is in the slightest degree detrimental to the object of carrying out the means of paying all the creditors. In making these observations the committee wish most emphatically to declare that they represent the interest of the shareholders, and of the shareholders only, and they repeat their assurance that they will not be influenced by any other consideration. The committee are advised that it is most important that the corporation should continue to exist in its fullest integrity according to the provisions of the letters patent. They think it right to state, in justice to the directors, that they have expressed their willingness to retire, and that since the meeting of the 25th March they have been ready to give every assistance and information to the committee, and have acted fully in conformity with its directions. They have requested Mr. Coleman to furnish them with a short statement showing the progress of the administration to the 11th of April, the date upon which Mr. Stewart formally took upon himself the managership of the bank, by which it appears that the liabilities of the bank were reduced between the 11th of March and the 11th of April from £397,734 to £340,240. The general assets of the bank now remaining are estimated to yield £16,052 above the estimates made on the 23rd of March. The securities held for the debt due from Colonel Waugh to the bank are estimated not to yield by a sum of £38,000, so much as they were estimated to do on the 23rd of March. The result of these altered estimates is that the estimated surplus of £15,718, as shown on the statement of the 23rd March, is now changed to an estimated deficiency of £8,230. Shareholders of the said London and Eastern Banking Corporation holding 4,170 shares out of the total number of 5,000 shares, have already, in pursuance of their said arrangements, given their promissory notes for the whole 50 per cent. of the capital remaining unpaid, in proportion to their shares, to the amount of £206,750, payable as aforesaid. The shareholders in England who have not yet given their promissory notes hold 386 shares, including 298 held by the said Colonel Waugh, who has become bankrupt; and of the residue, 88 shares only are in this country, the remainder being chiefly in India, whence advice of promissory notes being received comes forward by every mail.

“The result of the liquidation of the affairs of the said London and Eastern Banking Corporation, by and under the superintendence of the said committee of shareholders up to the 5th of September, 1857, is as follows:—The original amount of the liabilities on the 11th of March, 1857, was £397,734; from that date to the 5th of September, the debts and liabilities have been discharged to the amount of £240,351; leaving as a balance due in respect of the original debts and liabilities, £157,383; to which is to be added the amount now due to the Oriental Bank Corporation, in respect of their advances in the course of the liquidation, £101,000, making a total of £253,383. Against that liability, the Oriental Bank Corporation hold the promissory notes of the shareholders for their unpaid capital, to the amount of £206,750. The assets yet unrealized of the bank are estimated to produce about £180,000 to £170,000. In pursuance of the arrangements made for the liquidation of the affairs of the London and Eastern Bank, the various landed properties held by the said bank as securities for debts due to them were offered for sale; but, in consequence of the state of the money market, and other unforeseen circumstances, no adequate price was offered for them, and they were consequently bought in, and it was also found that longer time than



had been anticipated would be necessary to collect and get in the outstanding debts due to the bank."

Subjoined is an extract from a letter written on behalf of the committee, signed by H. E. Beville:—

"In a circular letter issued by the committee on the 9th of April last, it was intimated to you that the directors of the bank had, under advice and by the desire of the committee of shareholders, made a call of £15 per share, and that further calls would from time to time be made; and it was added that those shareholders who gave their promissory notes at 12 months for the 50 per cent. upon their shares, would not be expected to pay the calls as they fell due. In the report to the shareholders, made at the general meeting on the 20th of July, the estimated deficiency is stated at £12,710, and it was expected that a sufficient proportion of the available assets could be realized in time to meet current liabilities. In both points, however, the committee find themselves disappointed, an extension of time being absolutely necessary for the advantageous disposal of the now valuable properties, while subsequent estimates have considerably reduced the amount to be looked for. Under these circumstances, being disappointed of the large amount which they expected, and funds being requisite to answer immediate and pressing demands, the committee have no alternative but to require the shareholders to pay up, on or before Tuesday, the 15th of September next, the call of £15 per share payable on the 24th of April, ult. The amount of the call will in each case be written off the promissory note of the shareholder who makes the payment in reduction of the amount claimable from him under his note. The committee think it right to impress you that, unless the call is fully and promptly responded to, it will be impossible to continue the liquidation, and they will be compelled to place the affairs in bankruptcy, thereby increasing to an enormous extent the expenses of winding-up. The debts and liabilities now remaining due to the Indian banks collectively amount to about £103,000, and the said Indian banks will still further forbear to press their claims, provided the present mode of liquidation be continued. In pursuance of the arrangement originally made on the present mode of liquidation being agreed upon, a further call of £15 per share has, in conformity with the deed of settlement, and with the concurrence of the committee of shareholders, been made on the shareholders, payable on the 1st day of August, 1857. The amount expected to be received from the shareholders will, with the aid of the further advance yet remaining to be made by the Oriental Bank, be sufficient to pay and discharge in full all the debts and liabilities of the bank to the general public other than and exclusive of the Indian banks. The committee of shareholders have caused an action to be brought in the name of the bank against the late manager to recover £6,000 due by him, which action stands for trial, and they are also about to commence proceedings in equity against his trustees to set aside a settlement executed on his marriage; and the committee of shareholders have made inquiries into the conduct of the officers of the bank, and of the directors and others connected with it; and they are prepared to institute all such further investigations, and take all such proceedings against the late and present directors of, or other persons now or lately connected with the bank, as the shareholders may desire, or as may be, in the judgment of the committee, calculated to benefit the shareholders at large. Taking into consideration that there are not only debts and liabilities to be provided for in Calcutta and Bombay, but also shareholders residing at each of these Presidencies, from whom contributions will have to be obtained, the liquidation of those debts and the collection of those funds will



be better and more quickly accomplished through the present medium of the Oriental Bank. Taking also into consideration the fact that the unrealized property and assets of the bank are completely secured and protected from all undue interference on the part of the Oriental Bank or its directors, and that the contribution of the great body of the shareholders to the extent of the full amount of their shares has already been secured, and the debts and liabilities of the bank can, under the circumstances, be shortly reduced and brought into the hands of the four Indian banks, who will then be the only remaining creditors of the corporation, and that such creditors have forborne to press their claims to allow of the present mode of liquidation, there is every probability that, by such a course, the payment in full of all the debts and liabilities of the bank will be accomplished."

Mr. Roxburgh proceeded to comment upon these statements and submitted that the petitioners had a clear right to have the accounts of the bank taken by this Court. In the case of the Cheltenham and Gloucestershire Banking Company there was nothing more than a charge of carelessness. If a bill had been filed for accounts he would have had an undoubted right to that, but instead of thus incurring heavy law costs he was content to ask for a winding-up order. There had been a wilful and most wrongful violation of duty towards the company. If this petition were allowed, the directors would be charged with the loss, and there might be some hope that a portion of their capital would be returned to the unfortunate shareholders. This was a case precisely similar to that of the Royal British Bank, in which the capital of the bank was absorbed by the directors.

Sir P. Wood observed that, in this case, the bank was sustained by means of the promissory notes of its shareholders.

Mr. Roxburgh proceeded.—The directors ought not, under any circumstances, to be allowed to squander a sum of £500,000 without investigation. The committee of shareholders who had thus obtained these promissory notes and taken the accounts were partly appointed by the directors themselves.

Sir P. Wood—The property is now out of the control of the directors.

Mr. Roxburgh, having referred to other parts of his case, concluded by submitting that he was entitled to a decree that would allow his clients to take the accounts of the company.

His Honour said, the petition was from the holders of shares to the amount of only £200. It was opposed to the wishes of the body of the shareholders. It would be inconvenient to allow the petitioners to drag the whole body of shareholders into litigation. There was not a single feature in the case different from an ordinary one. Not an action had been brought or threatened by any creditor. As regarded the difficulty of making calls, the course taken was a judicious mode of enabling parties to obtain their equities. It was said that an official assignee could enforce equal contributions from shareholders, but here a judicious course had been taken by the shareholders in making calls by means of these promissory notes; 4,171 shares out of 5,000 had thus given promissory notes. This showed something unusual. They could be sued thereupon, and there was a very summary process which enforced the payment of promissory notes. The only creditors would be the Oriental and other Indian banks, and they were not pressing. The case of the Cheltenham and Gloucestershire Bank was not analogous to this. If it should turn out that the shareholders in this case had contributed nearly equally, then the case might be reduced to a simple question. It would be practicable to embody the entire body of shareholders against the directors, and this could be done without a winding-up order. There was not yet a suggestion that it



was essential to justice that a winding-up order be granted. The petitioners were not being sued, and the body of shareholders had a right to a certain equity. His objection to a winding-up order was very great. He did not believe that the time would ever arrive, much as he desired that it might, when the costs incurred in winding-up an estate in the court of law would be as small as in a case where parties had the wisdom to wind-up without its intervention. The two petitioners said that they had some hopes of getting their money back. They were not so sanguine as to say that they expected by this bank to realize a profit. (Laughter.) There were, however, only two shareholders of their opinion, and it was not altogether reasonable, after all that had taken place, to accede to their petition. In March last they knew of this arrangement with the Oriental Bank. It was not a reasonable course to lie by so long. The petitioners were at a meeting at which it was unanimously resolved to go on with the committee of management. There was no possible allegation of malversation now. Not one of the directors had any longer control over the funds or upon calls. Everything was entirely out of their hands. It was a singular circumstance that two shareholders should have ventured upon so hazardous a petition. His decision was that their petition be dismissed, and this with costs as against the individuals who had been served with a copy of the petition.

Petition dismissed accordingly.

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#### THE HULL BANK.—RE HARRISON, WATSON, AND CO.

At the Hull Court of Bankruptcy, on the 14th October, a meeting was held before Mr. Commissioner West for the choice of assignees and proofs of debts in the case of Messrs. Harrison, Watson, and Co., late bankers, of Hull. Mr. Stamp appeared on behalf of Mr. J. B. Barkworth and other creditors; Mr. England for Mr. Bamford and Mr. Christopher Simpson; Mr. Bischoff for the London bankers; Mr. Dryden for the Bank of England; Mr. Holden for several large creditors; and Mr. Frankish for the bankrupts.

Mr. Holden said a batch of proofs had been submitted to him, and amongst them was one by a gentleman named John Scott, of London, who claimed to prove one for £25,000 on behalf of the Union Bank of London, on certain bills drawn by Burstall and Co., of Quebec, at ninety days after sight, the first of such bills being dated 11th of July last, the whole of which bills were stated to be accepted by the bankrupts. They were endorsed by Edward Burstall and Co., to the Bank of Montreal, and by the Bank of Montreal endorsed and delivered to the Union Bank of London. The consideration for the endorsement from the Montreal Bank to the Union Bank of London being the acceptance of the latter of certain bills drawn by the Bank of Montreal on the Union Bank of London to a like amount. Now, he apprehended that that was merely an exchange of paper. There had been no payments as a consideration by the Montreal Bank, and until the acceptances which were stated to have been given by the Union Bank of London, were paid, he contended that the Union Bank of London had not given any consideration, and was not in a position to prove. He held the proof to which he referred, and he believed the gentleman who tendered it was in the room.

Mr. Bischoff said if he understood the objection right which had been made to this proof, it was that full and proper consideration had not been given for these notes. The simple question was this: Were the bills that he now sought to prove against this estate, the bankers being the acceptors?



He submitted that the Union Bank of London were at that moment the *bond fide* holder or holders of these dishonoured acceptances. It was not imperatively necessary that there should be a money consideration, but that a valuable consideration was quite sufficient to establish a proof. His Honour had before him a proof by the Bank of England for a very large sum of money, as endorsed by a mass of bills which were not quite due, and which, he believed, would shortly be paid, and he considered that there was an analogy between that proof and the one he tendered. He urged that one of the banks had acted as agent to the other, and contended that the bills were the property of the Union Bank of London. Since the recent circumstances had happened on the other side of the water he knew that the Union Bank had remitted three times the amount of the bills in gold. The holder of a bill was entitled to prove if he could establish a valuable consideration. It was immaterial whether the Union Bank or the Montreal Bank proved it; but the Montreal Bank being abroad, and the Union Bank in this country, the proof was tendered by the Union Bank.

Mr. Holden said he was exceedingly sorry he could not agree with any one point which had been mentioned by Mr. Bischoff. Mr. Bischoff had stated that there was an analogy between the proof of the Bank of England and that of the Union Bank, but there was not. The question was, the nature of the consideration received—could the parties who claimed to prove on these bills be considered the owners of the value? Undoubtedly not. No value had passed, the bills were all paper, and, *non constat*, it could not be shown that they would ever be met with gold. He contended that there was no value given to these bills to the holder.

His Honour said he did not think the question was whether they were consideration bills or for value. It appeared to him to be the same thing whether it was money value or not. His Honour added that he should admit the proof.

The registrar said he was desired to ask whether there was any competition with respect to the choice of assignees? He added that there was a debt proved by the Bank of England, one by Mr. Dryden, and another by Mr. Bischoff.

Mr. Bischoff said that as a non-resident in Hull, perhaps it would be more agreeable that he should suggest the party who should wind up this unfortunate estate. It had been a subject of grave anxiety to those in London, and it had been their whole desire to carry out the onerous, and he might say, painful task, to the satisfaction of the creditors generally; and the parties selected were Mr. J. B. Barkworth, Mr. Wm. Chapman (of Leadenhall-street, London, and representing the debts he had mentioned), and Mr. Christopher Simpson, of Hull, and they believed those gentlemen would discharge the duties with zeal and consideration.

Mr. Earnshaw thought it his duty to submit that the gentlemen named, at least two of them, were interested to the prejudice of the general body of creditors. For instance, Mr. Barkworth had accepted upwards of £2,000 bills, which he proposed to have restored to him. That gentleman had given a notice claiming as "short" bills, and he excepted them out of this proof, claiming to have them restored to him for his own benefit, and of course to the loss of the creditors generally. Mr. Simpson was a creditor to a considerable amount, and had given a similar notice to the official assignee to this estate, claiming bills to the extent of £15,000 and upwards, to be restored to him, thereby lessening, if he should be right, the interest of the general body of creditors. The gentlemen he had mentioned had a direct interest as opposed to the general body of creditors, and consequently were not the proper persons to have the management of this estate. Mr. Dryden begged to second Mr. Bischoff's observations.



Mr. Frankish said, if the observations made by Mr. Earnshaw had weight with his Honour, there were parties present ready to nominate other gentlemen as assignees.

Mr. England said he represented Mr. Bamford, one of the principal creditors, a gentleman whose proof amounted to between £80,000 and £70,000. That gentleman had no short bills; and he also represented other parties, and he wished to state on their behalf that they were perfectly satisfied with the names handed in as fit persons to discharge the duties of assignees to the satisfaction of the creditors. They were gentlemen who were pretty well known, and the interests of the general body of the creditors would be well guarded.

Mr. Stamp said he appeared there on behalf of Mr. Barkworth, whose proof amounted to £6,000 or £7,000, and it appeared to him that there was no contest. Three gentlemen had been proposed as assignees, and there had been no counter proposal made.

His Honour—It appears to me that it is the general opinion of the creditors that they should be the assignees. Of course, I am only the mouth-piece of the creditors, and I will do the best for their interests. Every creditor to a certain extent is antagonistic to the others; and as to the bills mentioned, the court will have to decide the question, and if a wrong decision be given, the Court of Appeal will have to determine it. I therefore think that the choice of the assignees must rest with those who have proposed the three gentlemen. No one seems to propose any other, therefore, the assignees must be as mentioned. Let them be appointed assignees. The fact is, I have only a *veto* in any case.

The registrar said that Mr. Barkworth, Mr. Chapman, and Mr. Simpson would be the assignees in this estate.

Mr. Brown (of Nottingham) wished to make an application on behalf of Messrs Frogart, Woodward and Co., of Nottingham. The bankrupts, he said, had a great number of bills in their hands, not yet at maturity, and Messrs Frogart, Woodward and Co., were advised that they could recover those bills, and it was thought advisable at this early stage of the proceedings, to make application, as notice had been received of some of them having been dishonoured. As some of them were in the hands of the official assignee, and as it was entirely a credit account, he had to make application that they be delivered up; and he did so because if the acceptors were not sued immediately, the money probably would not be recovered. He, however, merely wished to take his Honour's direction on the matter.

Mr. Earnshaw said he must oppose any application of this kind. Of course, they would take care that proper notice was given to the parties.

This matter was ordered to stand over.

Mr. Bischoff wished to make an application on behalf of Mr. William Burstall, who, he said, had a brother (Mr. Edward Burstall) residing at Quebec; and after Messrs. Harrison, Watson, and Co. had been adjudicated bankrupts, he sent to the bank a remittance, and the letter having been opened, the money was taken charge of by the official assignee. That money was clearly the property of Mr. Edward Burstall, and, as such, Mr. William Burstall claimed it. It could not, in any way, affect the general body of creditors, because the bankers were utterly incapable of receiving the money. He was informed that Mr. Edward Burstall's account was in credit, and that he was not indebted to the estate in any way.

His Honour said he thought there could be no doubt as to Mr. Burstall's right to have the money returned.

The registrar said the regular way was for the official assignee to come



and ask the court what was to be done with it, and an order could then be made.

His Honour—Then let it stand over.

Mr. Bischoff said there would not be another meeting until the 25th of November, which would be a long time to wait.

His Honour said in making the order for it to stand over he should reserve the right of appointing a meeting for hearing the application at any time, of course giving notice of such meeting.

The total amount of debts proved this day was £308,991 11s. 2d. Upwards of £100,000, it is understood, remain to be proved.

The following is a list of the principal debts proved:—Bank of British North America, £47,420; O. Bamford, £35,327; Executors of Mr. C. Bamford, jun., £29,312; Union Bank of London, £25,000; London Joint Stock Bank, £23,450; Bank of England, £15,711; W. V. Norman, £8,583; Trinity House, £8,318; Barkworth and Spaldin, £6,291; Bank of Upper Canada, £6,000; W. Sharp, £5,885; Jno. Clark, £5,481; City Bank of Montreal, £5,000; F. Watt, £4,585; Thos. Holden, £4,145; Richard Musgrave, £3,446; William Hutchinson, £3,252; Matthew Stephenson, £2,339; Mary Barkworth, £1,818; Barkworth's trustees, £1,688; Josiah Desforges and Sons, £1,681; Thomas Foster, £1,647; J. Platford, £1,630; W. Hall, £1,623; George Hall, £1,600; J. Sparrow, £1,507; Humber Conservancy Company, £1,409; Mary Mentrup Barnby, £1,314; J. Riby, £1,236; Jno. Leonard, £1,187; W. Dunn, £1,175; E. Huddleston, £1,103; Banks' trustees, £1,086; Jane Willoughby, £1,052; and Moffatt and Gillespie, £1,000.

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#### THE AMERICAN PANIC.

THE monetary panic in the United States, according to the latest advices, was not only unabated, but there were no signs of a speedy return to a more satisfactory state of affairs. The accounts received a week or two ago were certainly of a more favourable character, and a belief appeared to be entertained, particularly on the other side, that the worst had passed. These hopes were, however, destined soon to be speedily dissipated, for the announcement of the suspension of the Philadelphia and Baltimore Banks—establishments which had been regarded as safe,—and involving as they did numerous commercial firms, created fresh alarm, and the panic fever returned with undiminished force, as the appended list of additional failures will painfully demonstrate.

There can be no doubt whatever that the present panic originated, not through any commercial revulsion or over-trading at home or abroad, but entirely from a wild speculative mania in which many of the provincial banks had so deeply invested their capital, that when one immense establishment, in which a great portion of that capital was involved, was compelled to close its doors, the shock was communicated, like an electric spark, to everyone connected with it. Some of the smaller banks were of course the first to feel the effects of the movement, and were compelled immediately to suspend their specie payments. This naturally engendered distrust, and total suspension followed in



quick succession. It was not to be anticipated that the suspension of even one or two banks could be unattended with serious consequences, but when bank after bank was found to be unequal to meet the pressure, the general panic which ensued was the natural result. However prosperous commerce may be, and however guarded mercantile firms may conduct their business, it is impossible that in a monetary convulsion of this nature they can expect altogether to escape, and hence we regret to find that many firms, though strictly confining themselves to legitimate operations, have been involved by other less scrupulous establishments, and have helped to swell the list of bankrupts. It is very evident, from what has already transpired, that, sooner or later, this crisis must have arrived, and probably it could not have happened, so far as the interests of commerce are concerned, at a more opportune period. The last great panic in America was in the years 1836-37, and although not originating from precisely the same causes was somewhat analogous in its course and in its results. It was long before the shock then sustained was recovered, but eventually the commercial relations of America were placed on a much firmer basis, and from that time to the commencement of the present crisis, never was her condition more prosperous. Her commerce is again shaken; and the country is probably undergoing a more severe trial than at the former period; but now, as then, the appetite for reckless speculation will for a time have been appeased, the doubtful and unstable establishments will have found their natural level, and legitimate commercial enterprise will once more predominate and with increased vigour.

As an historical account of this great panic, we select the following, from private letters and the American journals. The *New York Herald* says:—

The position of financial and commercial affairs at the present time resembles very much the most prominent features of the last great revolution in our credit system. The fall of 1836 presented the same elements of a revolution which are now so clearly to be seen. In September and October, 1836, the inflated condition of our credit system first became apparent to the financiers and speculators of the day, and the indications were similar to those now daily exhibited. The banking operations of the country at that time were conducted on an extensive scale, and the different systems were in a measure opposed to each other. The United States Bank and the state banks for some time were in an antagonistic position in regard to the Government deposits or surplus revenue, and the contest was carried on with the entire financial strength and influence of the parties engaged. At that time the surplus amounted to more than 300,000,000 of dollars, and really was a prize worth fighting for. With the aid of President Jackson and the democratic party, at that time in power, the state banks succeeded against their old enemy, the United States Bank, and the deposits were removed to certain banking institutions regulated by state laws, located in the different states. Such an accession to the available means of these state banks was an incentive to expansion, and they certainly made the most of it. In the space of two years, the line of discounts throughout the country increased more than two hundred millions of dollars, and the credit system became enormously expanded. The surplus revenue at that time was in paper, bank bills, and such stuff. It was



nothing but a representative of property which was supposed to exist somewhere in the vaults of some banks. This paper was transferred from the United States Bank to the state banks, and from the state banks to the mercantile classes in the shape of discounts. The incentive thus given to business operations soon led to a good deal of over-trading, to a vast deal of speculation, to an enormous inflation in prices in every species of property, and to an expansion of credits which involved the community generally in one universal whirlpool of excitement. In the midst of this excitement, every one involved seemed to lose sight of the probable result. The probability is that no one thought of it, but moved along with the current of trading and speculations, utterly regardless of the consequences. During the progress of this expansion in private credits, the political parties of the day were engaged in all sorts of experiments connected with the currency and the different commercial systems. The surplus revenue was the cause of a great deal of difficulty. The general Government agreed to divide it among the different states, and the different states disagreed about receiving it. The different legislatures throughout the winter of 1836 and 1837 endeavoured to pass the necessary acts for its acceptance and disposal, and some of them settled the points to their satisfaction. The tariff of 1832—what was called and is known as the Compromise Act, enforced a high rate of duty, which, with the incentive given to importations by the expansion and extent of the credit system, led to an immense increase in our foreign trade, and involved us deeply with foreign manufacturers. The balance of trade ultimately became largely against us, and a demand for our specie for export hastened the approaching collapse. The land speculations of the day, the rapid increase in stock companies, the high price ruling for all the necessaries as well as the luxuries of life, the extent of trading upon borrowed capital, the absence of real basis for this huge structure of credit and extravagance; the imperfect and uncertain condition of our political, financial, and commercial systems, led to and resulted in a revulsion such as had never been seen by the oldest inhabitant up to that time. It commenced in the fall of 1836, but lulled during the winter, and broke out with increased force in the spring of 1837. The largest failures commenced in the month of March, 1837, and from that time our bankers and brokers, merchants, manufacturers, and mechanics went down like a pile of bricks, one after the other, until all who had traded upon borrowed capital, or who had become involved in any of the land and stock speculations of the day, became bankrupt and involved in one common ruin. In this way the grand speculations of 1834, 1835, and 1836 culminated. It was years before the various important interests of the country recovered from that prostration. For years trade was depressed. New banking systems were adopted, and commercial systems experimented upon. In 1847 the discovery of Californian gold gave a new impetus to speculation. The accession of gold formed a strong and substantial basis for all financial operations, and efforts were made to build up a new credit system of a superior character. The arrival of gold in every steamer, by millions, were events that took the entire community by surprise. The most extraordinary and extravagant ideas prevailed regarding the probable effect on property and prices, and some very curious theories found converts. It was the general impression that the value of money would be reduced, and with it the value of property. It did not seem to occur to the public at the time that we had a vast country to improve; that we had thousands upon thousands of miles of railroad to construct, and millions upon millions of acres of land to cultivate and improve; that we had cities to build and fleets of steam ships to construct.



was not supposed for a moment that the incentive that this gold would give to industry would give a greater increase to property than in its representatives, or in other words that the substance would increase faster than the shadow. Those who supposed that this great increase in gold would do away a great deal with credit, reckoned upon false premises, and have at this early day seen their error. The 500,000,000 of gold dug from the mines of California and scattered over the whole world have become the basis of a credit system twenty times the aggregate. In the period required to produce that amount of gold there has been produced one hundred times the amount of property in this country alone; so that the actual representative of property is in proportion no greater now than it was in 1835 and 1836. Then we had an irredeemable paper currency and a vast paper circulation; now we have a limited paper currency upon a good basis. Then the gold and silver of the country was locked up in banks; now it is in general circulation. Then the paper system was the medium for all the financial operations of the Government; now it is gold and silver. Then the surplus revenue in the hands of the banks was used for speculative purposes; now it is in the direct possession of Government, and serves as a check upon over-trading. Now the extraction of gold from the banks by the Government compels those institutions to contract; then any increase in the public revenue served as a basis for further expansion. Now we have an expansion in public credits which has involved so much capital that private operations are left without support upon the first withdrawal of confidence; then we had an expansion in bank credits, which was withdrawn upon the first note of alarm, and the support of the mercantile classes proved to be just so much irredeemable paper, and the whole crowd went down together. The revulsions which we have just hinted upon will, without doubt, be confined to that class of merchants and financiers who have become involved in the railroad operations of the day. The revulsions of 1837 carried down those who depended entirely upon bank favours and bank support. The present revulsion is not so much connected with our banking institutions, and they will, without doubt, be able to sustain themselves. Those who have confided themselves to a legitimate line of business, and have not ventured in their operations too far beyond the limit of their capital, may weather the storm, but can hardly expect to pass through unscathed. Unfortunately, our railroad interest has become so much extended, and absorbed such an immense amount of capital, that nearly every business man is more or less involved, and finds a portion of his capital locked up in these unavailable securities. The large failures which are daily reported, show that the revulsion will be very extended in its operation, and as some of our oldest houses have already suspended, the public mind has become alarmed to a degree that will of itself lead to most disastrous consequences.

On the subject of financial prospects the *Philadelphia Pennsylvania* of the 1st October, thus remarks:—

“There is no new feature in the aspect of monetary affairs, and business is almost completely at a stand in consequence of the necessity of business men accommodating themselves to the altered circumstances. The progress of the suspension is watched with extreme anxiety, and with here and there an exception it is likely to become general, and it is feared of at least a year's continuance. The banks of New York, among other hopeful indications, have wisely, and as they can well afford to do, resolved not only to continue the payment of specie, but to extend the line of their accommodations to the extent of about three millions, which, while it will tend



to assure their own position, will materially relieve business, not only by the direct aid it affords, but by the assurance it gives of a cessation of the contraction. Here, also, the banks are disposed to some extent to increase their discounts, but as a whole there is far more trepidation among them than in the community, and that full aid which they should give to business cannot therefore be expected. The suspension has caused much less alarm and disturbance at the West than might have been supposed. So far it embraces only Rhode Island, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, Tennessee, and New Jersey, and Connecticut in part. It is not presumed that the Boston banks will suspend, and Louisville and Cincinnati have thus far withstood the shock unharmed. The banks generally of the States of Ohio and Kentucky will not, it is presumed, suspend—certainly not for a time. At New Orleans and St. Louis, where legislation provides for an enlarged specie basis, their banks will not come into the measure of suspension. New Orleans has 6,000,000 in specie against a circulation of 8,000,000. St. Louis has 3,000,000 in coin to meet a limited circulation; but Illinois, Indiana, and Wisconsin are more inflated—their issues being based upon State bonds now depreciated 15 to 30 per cent., instead of gold and silver. We notice that the Pittsburg Bank is still paying specie on all its liabilities, refusing to come into the arrangement for a suspension. The officers of all the other banks of that city, in directing a suspension, expressed the opinion that it was necessary to protect the business men in enabling the banks to continue to discount local paper and exchange, and peremptorily instructed the cashiers of the respective banks to resume payment of specie when similar action has been adopted by the Eastern banks."

A correspondent from New York of the 26th September, thus writes:—

"Months ago a combination was made for the purpose of 'bearing' railway securities. The parties interested grounded their operations upon the impossibility of carrying the weight of the railway floating debt through the financial pressure that always intervenes between the two crops. Starting from this basis, a systematic attack, to which I have several times called attention, was made upon the railway interests of the country. The same thing had been attempted in 1854, 1855 and 1856, founded upon the same reasoning. Specie always flows out between the crops, when there are no produce bills to remit. This inevitably produces more or less stringency in the money market, and it was reasoned that if, by creating distrust, that stringency could be increased to a point where the effecting loans to railways would become impossible, a handsome 'operation' could be made. In former years the scheme failed, notwithstanding short crops. This year, with great crops, it has succeeded, owing to the creation of railway indebtedness faster than capital could absorb it—owing also, it must be admitted, to gross mismanagement (in some cases amounting to fraud) on the part of the roads themselves. The failure of the Michigan Southern, followed by the suspension of the Ohio Life and Trust, destroyed all confidence. Those failures found the banks of New York with 120,000,000 dollars of loans and only about 9,000,000 of specie. Within the month that has ensued the loans have been contracted nearly 14,000,000 dollars, and the specie increased over 5,000,000 dollars. This contraction has of course been severely felt by borrowers; but its effect has been much lessened by the diminution of deposits. The specie gains have been made 1,500,000 dollars from California—and the rest, partly at the expense of the interior and partly by disbursements from the national treasury. The usual remittances



from California by the Central America was lost; on the other hand the European export has been entirely stopped, and exchange has gone to a point where specie can almost be sent from London at a profit. While this has strengthened the New York banks, it has weakened those elsewhere. The country banks of issue, unable to keep out their circulation, have been returning it to the controller for redemption. The large towns which have seemed to feel the pressure most are Boston and Philadelphia. The manufacturing interest in the former has been for a long time unprosperous, and a borrower. The sudden contraction has operated with great severity upon those most engaged in that business, and has caused heavy failures among the oldest and most respectable houses. The Boston banks have not been strong enough to sustain the public, and there is now a serious apprehension—not well-grounded I trust—that they will not be strong enough to sustain themselves. Should they be driven to suspension, it would doubtless involve the suspension of all the New England county banks in self-protection. This once done, I question whether any worse state of things would result than we now see. The outstanding bills would give a currency, and the specie would find its way to New York by the natural law of gravitation. In Pennsylvania matters seem worse than in Massachusetts. Two of the banks—the Pennsylvania and the Gerard—suspended yesterday, and the merchants of that town are undoubtedly in a tight place, judging from the number of failures. Baltimore is suffering somewhat from the same causes. The Western circulars quote currency as plenty, and specie at a large premium—a decidedly unhealthy state of things; and it is not an impossible thing that, if the present want of confidence continues, there may be temporary suspension of the banks there as well as in New England. The banks of neither section will resort to this expedient unless it becomes necessary to their own protection. But whatever may be the result, I still think that this country is richer than ever before, and that there is no sound cause for the spreading want of confidence; and, thinking so, I cannot believe that the storm will last as long as many people's fears predict. To begin with, the South is very rich: its cotton has for many years met with ready sales at high prices, and its negroes have advanced and are advancing in value. The planters, who some years since were poor, and generally six months or a year in advance of their income, are now rich, with their debts paid off, their plantations and negroes discharged from liens, and large accumulations in addition. The West, as a whole, are not as well off. The farmers are in debt; but they have this year the greatest crops ever known, held at present at high prices. Even if those prices come down, which I fancy they must do, the farmers will still have the means of paying the instalments on their debts. The western towns have over-speculated and over-traded. They are suffering, and probably will suffer more. They have been over-trading, stimulated by a radically false system of paper money, a system which excites undue speculation, and gives fictitious value to property. When this country abandoned protection in 1846 it adhered to paper currency. A paper currency at the West means the creation upon a very little specie of a very large amount of corporate obligations, which are received as money. An expansion in the circulation is naturally followed by an expansion in values. While foreign goods were unnaturally kept out of the country by discriminating duties, and domestic manufactures unnaturally forced by the same process, an equally unnatural condition of the currency did no harm. But when the foreign and the domestic manufacturers were put upon a par, except so far as otherwise necessary for purposes of revenue, the inequality in value upon the two sides of the Atlantic began to tell. It is under this system of false wealth, by which values of every kind of property are arti-



ficially enhanced, that the foreign imports have been stimulated to the unhealthy point which produced the present trouble. Goods bought at prices based upon a specie currency are sold at prices based upon expanded paper. The ease in creating currency has made home payments easy, while the foreign balances have been paid in coin or bullion, for which we looked to California. The last Treasury statement showed that California had failed to supply the deficiency by about 15,000,000 dollars. This contraction must speedily check importations. When you see how small is the adverse balance on the total foreign trade (only about 5 per cent.), you can see that with an average cotton crop at the present rates, and a large grain crop, it ought to take but a short time of contraction to restore the equilibrium. Next, the railways of the country, whose reckless contraction of debt has laid their managers open to the suspicion of fraud, and has been one of the main causes of the present troubles, must be got out of the way as borrowers. The line of discounts of the banks of New York varies from 106,000,000 dollars to 120,000,000 dollars. It is estimated that the railway floating debt in the "street" has averaged from 20,000,000 dollars to 25,000,000 dollars. In the present state of things, this can be no longer carried. At whatever sacrifice, it must be funded. Michigan Southern, Chicago, St. Paul, and Fond du Lac, and Delaware, Lackawana, and Western, all three large borrowers, have already gone to protest. They therefore may be considered as out of the way, although temporarily locking up so much capital. It is thought that Michigan Central must pass its dividends, and take care of its floating debt in that way. Illinois Central makes another call upon its shareholders, to be followed by still another, which will substantially take that large borrower out of the market. Erie makes the worst look just now, being a heavy borrower, with unfinished works at Jersey city, making a heavy drain on its resources. But even this work does not deserve the want of confidence which threatens to swamp it. Its new president, an energetic and faithful officer, called a meeting of the share and bondholders on the 23rd, which was fully attended, and at which he made the following *exposé* of the affairs of the company:—

	Sept. 30, 1855.	Sept. 30, 1856.	Sept. 20, 1857.
Capital stock ... ..	\$10,023,959	\$10,000,000	\$11,000,000
Funded debt ... ..	24,891,000	24,891,000	24,891,000
Floating debt ... ..	1,211,768	1,104,970	2,437,200
Interest unpaid... ..	.....	.....	69,000
<b>Total indebtedness ...</b>	<b>\$26,102,768</b>	<b>\$25,995,970</b>	<b>\$27,397,200</b>
Cash and cash items ...	180,758	300,856	83,451
Materials ... ..	504,655	502,541	550,000
Fuel ... ..	497,115	728,403	610,000
Steamers, &c., on Lake Erie ... ..	88,875	218,831	231,229
Rolling stock loaned to C. and K. F.... ..	100,000	100,600	100,000
Other assets ... ..	10,456	46,134	30,000
Due to agents .. ..	.....	.....	250,000
Advance to Long Dock Company ... ..	.....	.....	684,254
Bonds of 1857 in sinking fund ... ..	322,000	794,000	1,386,000
<b>Totals ... ..</b>	<b>\$1,703,857</b>	<b>\$2,690,425</b>	<b>\$2,925,934</b>
<b>Liabilities over assets ...</b>	<b>24,398,911</b>	<b>23,305,545</b>	<b>23,471,375</b>



EARNINGS OF THE NEW YORK AND ERIE.									
1852	...	...	...	...	...	...	...	...	3,340,150
1853	...	...	...	...	...	...	...	...	4,318,962
1854	...	...	...	...	...	...	...	...	5,359,958
1855 (short crop year and war in Europe)	...	...	...	...	...	...	...	...	6,488,993
1856	...	...	...	...	...	...	...	...	6,349,050
1857 (strike of engineers and short crop, estimated partly)	...	...	...	...	...	...	...	...	5,750,000
Total indebtedness	.....	Sep. 30, '55.	\$26,012,768	Sep. 20, '57.	\$27,397,209	Jan. 1, '58 (est)	\$27,141,000		
Less Sinking Fund	.....	322,000		1,388,000		1,500,000			
Real indebtedness	.....	\$25,780,768		\$26,011,209		\$25,641,000			
Advance to Long Dock Company	.....			684,253		1,100,000			
Estimated Floating Debt, Jan. 1, 1858, including interest due on that day, all payments to Sinking Fund, and \$258,000 further advances to Long Dock Company	.....					2,250,000			
Sinking Fund will hold Dec. 31, 1857	.....					1,500,000			
Estimate for fiscal year 1857-8.									
Receipts, same as 1855-6	.....					6,350,000			
Expenses, 55 per cent.	.....			\$3,492,000					
(The expenses of 1856 were \$3,492,994.)									
Interest, 7 per cent. on \$28,000,000 amount of debt after negotiation of new loan	.....			1,960,000					
Interest on Long Dock Stock	.....			50,000					
						5,502,500			
Net income	...	...	...	...	...	\$847,500			
Less payment to Sinking Fund	...	...	...	...	...	420,000			
Net income applicable to cash dividend	...	...	...	...	...	\$427,500			

Equal to 3½ per cent. on 11,000,000 dollars, while on the 1st of February next, the Sinking Fund will already have in hand bonds in excess of last stock dividend of 1,000,000 dollars, to the extent of 5 per cent. on the 11,000,000 dollars. The 420,000 dollars yearly payment to the Sinking Fund, joined to the interest on the bonds already purchased, will purchase (yearly) more than equal to 5 per cent. on the 11,000,000 dollars stock.

Now, with such statements concerning some of the principal resources of this country, and the principal points at which the disease has shown itself, I think I am justified in believing that the present entire failure of confidence is not founded on sufficient cause. Yet I do not conceal from myself that, whether well or ill-founded, it exists, and that while it does exist, not only cannot things be restored to a healthy state, but they must naturally, as obligations mature, and the difficulty in borrowing increases, go on from bad to worse, until the community begins to find out that it is, after all, rich instead of poor, and ought to be prosperous instead of falling.

I ought to have said above, while speaking of the banks elsewhere, that whatever may happen to them, the New York banks are sound beyond any reasonable fear. They are gaining strength every day, and have now 14 millions of specie, are abundantly able to sustain themselves; and even if driven by a state of things beyond possible calculation, to a suspension, that suspension would, under the present State Constitution, work as a complete liquidation. Were it not for the troubles outside of New York, we should have begun to recover from the panic long before this.



The following circular is published at Washington :—

“ Treasury Department, Sept. 23, 1857.

“ Notice is hereby given to the holders of stocks of the United States, that this department will purchase such certificates as shall be received here, duly assigned to the United States, previous to the 1st day of November next, at the rates heretofore offered and paid, viz. :—

“ Ten per cent. premium on the loan on 1842 ; 16 per cent. premium on loans of 1847 and 1848 ; and 6 per cent. premium on Texas Indemnity Five per Cent. Stock, together with the interest accrued in each case from the 1st of July. Certificates of stock received here on or after the 1st day of November until further notice shall be given, will be purchased at the following rates :—8 per cent. premium on the loan of 1842 ; 14 per cent. premium on the loans of 1847 and 1848 ; and 5 per cent. premium on Texas Indemnity Five per Cent. Stock, with the accrued interest payable thereon respectively. Where certificates of stock inscribed and transferable on the books of the Treasury shall be received here, assigned to the United States, between the 1st of December, when the transfer books will be closed, and the 1st of January, when the half-yearly interest is payable, the accrued interest for the half-year must be expressly assigned to the United States by the stockholder, as no interest for the current half-year can be included in the settlement, but the same will be payable by the Assistant-Treasurer on the interest schedules as heretofore. In all cases the purchase sums will be settled in favour of the lawful holder of the stock, who shall assign it to the United States in the mode prescribed by the regulations of assignments of stock ; and remittance will be made of the amount by draught on the assistant treasurers at Boston, New York, or Philadelphia, at the option of the party in whose favour the settlement shall be made. One day's additional interest will be added from the day of receipt here for the draught to be sent by mail.

“ HOWELL COBB, Secretary of the Treasury.”

The same writer, under date of the 6th October, says :—

I need not dwell again upon the real causes of the trouble. It is enough to say that everybody now feels a trifle more cheerful. The arrival of the “ Star of the West” (about which we had begun to feel anxious), and the prompt payment of the first batch of October notes maturing on Saturday, have set the general batch at least three notes higher. The manner in which the New York merchants have passed through a crisis that has diminished the value of the best kinds of property 25 per cent., and of some of the railway properties much more, entitles them to all credit. Up to this time there have been very few mercantile failures. The most important one is the old fur house of P. Cheateau and Co., which is understood to have been largely interested in Illinois Central. In Boston, they have not had equally good luck. Some of the oldest and best established houses have gone to the wall in the general destruction of manufacturing property. That community exhibits a very sound feeling in its tribulations, and seems resolved that its banks shall continue to maintain specie payments. The Boston merchants had a sort of town meeting the other day, and resolved that this was policy as well as honesty. There is now a little better feeling there as well as here, and I hope that the banks will go through. The New York “ bear” organ yesterday morning expressed a belief that we have seen the bottom ; that the country, after all, is not ruined ; and that we shall by and by come on our



feet again. I need not say that I share the opinion. The crisis has been a fearful one; the weak vessels have collapsed, but the strong ones that have stood the shock far outnumber them; and if we can get over the difficulty of getting the crop to market, we may hope that all will be right once more. The perturbations in domestic exchange are now the great trouble. The business in New York is done on a specie basis; the business in the country on a paper basis, with the "currency," as it is called, of the country banks to represent money. The crops being arrested by the extreme caution of the farmers, exchange on New York is absolutely impossible. A merchant in Chicago wishing to make a remittance to New York has only "currency" to do it with, and with this he cannot buy exchange. In this way, the funds, as well as the property of the country, are at a dead lock, and must stay until confidence is restored. The best informed bank directors look for a speedy change for the better. Mr. Stevens, the head of the Bank of Commerce, writes to a Boston friend:—

"Our banks are prepared and now ready, and will soon be much stronger, for the wise action of liberal aid to the community. More coin flows into the city from all quarters—from Philadelphia, from the West, and is already on its way from Europe. A Californian steamer is due, with about half as much more as there is in all Massachusetts. Some of our banks have scarcely diminished their loans for two months, notwithstanding their aid to neighbouring cities. The large banks have expanded, and will continue to expand. On the system of discounting mainly only short paper, they always have money to loan. When will yours confine themselves to short dates, and cease to encourage the pernicious system of long credits, credits ramified to the last degree, from which spring most of your difficulties? Our corresponding banks in Boston are advised that we will not press them for their balances."

The general bank statement for the week scarcely justifies the strong tone of confidence that pervades this extract. It shows the following changes from the statement of the preceding week:—

	Dollars.
Decrease of loans ... ..	1,855,934
Decrease of specie ... ..	1,926,682
Decrease of undrawn deposits ... ..	4,120,497
Increase of circulation ... ..	77,794

The *New York Daily Times* (money article) comments upon this statement very justly:—"The liquidation is general and unexpectedly heavy in each department. The figures show, in a very palpable way, the effect of the financial storm of last week, and the extent to which our banks were drawn upon because of the trouble in other quarters; the doubt or uncertainty which it inspired here, and the assistance which it called forth in coin, to the support of nearly all the specie-paying points. Nearly one-half the large draught of 4,000,000 upon the line of deposits appears to have been met in gold: most of the remainder going to the liquidation of debt due to the banks. Little or no aid was received from the Sub-Treasury disbursement of 2,029,000 dollars; the Mint took 400,000 dollars, and the savings banks 850,000. Most of the latter is held in their own vaults for employment in States' stocks as the opportunity occurs. Including the Sub-Treasury statement of Saturday afternoon and the Clearing-house operations of the week, which were unusually light (averaging only 15,180,291 dollars per day), the following is the general comparison with the previous week, and also with the corresponding week of last year:—



## COMPARATIVE RECAPITULATION.

		Oct. 4, 1856.		Oct. 3, 1857.		Sept. 26, 1857.
		Dollars.		Dollars		Dollars.
Capital	...	54,243,000	...	65,130,000	...	65,130,000
Loans	...	11,015,184	...	105,935,499	...	107,791,433
Specie	...	8,830,628	...	11,400,413	...	13,327,095
Circulation	...	88,730,803	...	7,916,102	...	7,838,306
Gross deposits	...	26,678,258	...	67,978,657	...	73,315,611
Exchanged	...	62,052,545	...	15,180,291	...	16,396,748
Undrawn	...	13,232,312	...	52,798,366	...	56,918,863
In Sub-Treasury	...	—	...	7,748,267	...	9,777,805

The balance in the Sub-Treasury last night was 7,619,314 dols. 72c. This will be much reduced to-day by draughts, of which advices have been received from Washington.

The "Star of the West" carried out, on her last trip, Mr. Shelta Sandford, sent to Honduras on behalf of the Honduras Inter-oceanic Railway. The advices report him as having already started for the interior. The town was startled yesterday by the news of the safety of three more persons from the "Central America." After floating about the Atlantic nine days, seeing one after another of their number fall into the sea, living themselves on a single dogfish, which they could only masticate (or on food too horrible to think of, and which they deny having tasted), catching the rain of a single shower as the only relief to their thirst, they were picked up by a passing vessel and brought to New York.

The complete prostration of the manufacturing interest has thrown a great many operatives out of employ. We anticipated a winter of unusual suffering. Already the cry comes from New England that they are in want of bread. The retention of the crops at the West keeps provisions high. Less than two months of lake navigation remain, and then we shall be dependent upon the railways alone for our supplies.

## TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for the month of August, issued on the 26th September, continue to exhibit a steady growth in the commerce of the country. As compared with the corresponding month of last year, there is an increase of £885,513 in the declared value of our exportations. This has been generally diffused, and there is scarcely an item of any importance on the unfavourable side. A slight diminution in the shipments of cotton goods is accounted for by the cessation of consignments to Calcutta, the total to India during the month being scarcely more than a third of the quantity sent in August, 1856. Still the aggregate despatched to that market during the present year shows an augmentation. In the present case it is to be remarked that, while there has been a falling off to India and China, a most satisfactory increase is observable to the United States and Brazil. Thus, owing to our world-wide trade, when one market is affected the result is, at a little sacrifice, to improve our intercourse with others. The following table shows the exact increase or decrease under each head :—



## DECLARED VALUE OF EXPORTATIONS.

Month ending August, 31st, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£155,473	£218,127	£62,654	—
Beer and ale ... ..	88,681	131,219	42,538	—
Books ... ..	40,301	34,864	—	5,437
Butter ... ..	57,705	63,550	5,845	—
Candles ... ..	29,262	26,147	—	3,115
Cheese ... ..	11,704	7,142	—	4,562
Coals and culm ... ..	824,675	808,194	—	16,481
Cordage ... ..	22,872	24,612	1,740	—
Cottons ... ..	2,726,178	2,637,813	—	88,865
Cotton yarn ... ..	768,242	832,888	64,641	—
Earthenware ... ..	114,071	127,949	13,878	—
Fish ... ..	84,294	118,801	34,507	—
Furniture ... ..	16,986	28,789	11,803	—
Glass ... ..	47,059	58,939	11,880	—
Haberdashery ... ..	395,124	435,056	39,932	—
Hardware ... ..	307,281	386,842	79,561	—
Leather ... ..	154,976	213,120	58,144	—
Linens ... ..	409,581	408,033	—	1,498
Linen yarn ... ..	104,150	142,409	38,259	—
Machinery ... ..	286,735	387,645	100,910	—
Iron and steel ... ..	1,208,780	1,220,227	11,447	—
Copper and brass ... ..	203,648	337,752	134,104	—
Lead ... ..	86,201	70,741	—	15,460
Tin ... ..	135,460	197,302	61,842	—
Oil seed ... ..	85,498	77,080	—	8,418
Painters' colours ... ..	45,127	42,889	—	2,238
Pickles and sauces ... ..	33,404	42,708	9,304	—
Plate and jewellery ... ..	41,200	47,898	6,698	—
Salt ... ..	37,068	35,288	—	1,780
Silks ... ..	308,434	314,127	5,693	—
Soap ... ..	28,786	19,724	—	9,062
Soda ... ..	52,213	66,321	14,108	—
Spirits ... ..	144,925	49,623	—	95,302
Stationery ... ..	67,340	69,223	1,883	—
Sugar, refined ... ..	77,130	20,479	—	56,651
Wool ... ..	90,705	145,068	54,363	—
Woollens ... ..	978,344	1,071,275	92,931	—
Woollen Yarn ... ..	234,004	330,790	96,786	—
Unenumerated articles ... ..	749,725	888,656	138,931	—
Total ... ..	10,753,292	11,638,805		

The total of our exports for the first eight months of the year has been £84,666,718, showing an increase of £9,976,784, or nearly 12 per cent. The changes have occurred in the following manner:—

January, increase ... ..	£1,083,319
February — ... ..	1,587,293
March — ... ..	1,007,778
April — ... ..	560,918
May, — ... ..	£2,648,904
June, decrease ... ..	80,247
July, increase ... ..	2,233,806
August, — ... ..	885,513



Compared with the corresponding eight months of 1855 the increase is £24,512,540, or nearly 41 per cent.

With regard to imported commodities, the consumption of articles of food and luxury has presented no material variation. The use of cocoa and sugar seems to be diminishing, owing to their present prices, but although the latter is now showing a falling off, the quantity taken during the year has been rather in excess of 1856. As compared with 1855, however, the reduction in the consumption both of cocoa and sugar has been very great. Tea and tobacco still figure for an increase. Spirits and wine show a decrease, but the latter is only on the month, not on the year. In wheat, flour, and Indian corn, the diminution has of course been very considerable, but the effect of the alteration has been partly counteracted, as far as the money market is concerned, by rather large arrivals of other descriptions of grain.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption :—

Month ending August 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	507,534	283,480	507,534	283,480
Grain of other descriptions, qrs.	211,490	370,007	211,490	370,007
Indian corn, qrs.... ..	130,792	79,156	130,792	79,156
Flour and meal, cwt. ... ..	478,286	72,905	478,286	72,905
Provisions—Bacon, &c. &c., cwt.	74,817	25,100	Free.	Free.
Butter and cheese, cwt. ... ..	81,223	75,311	80,988	78,246
Animals, No. ... ..	45,857	42,604	Free.	Free.
Eggs, No. ... ..	9,137,200	11,245,600	9,137,200	11,245,600
Cocoa, lb. ... ..	1,070,405	279,622	225,778	193,590
Coffee, lb. ... ..	7,287,022	6,140,531	2,598,754	2,637,679
Sugar, cwt. ... ..	760,657	786,066	569,361	536,678
Tea, lb.... ..	2,525,584	3,113,719	5,028,843	5,618,156
Rice, cwt. ... ..	403,616	458,144	130,289	133,443
Spirits, gallons ... ..	877,440	768,663	866,694	345,716
Wines, gallons ... ..	607,638	795,335	575,248	522,104
Tobacco, lb. ... ..	1,545,227	1,542,260	2,580,092	2,651,997
Currants, figs and raisins, cwt....	1,183	1,786	5,378	16,184
Lemons and oranges, bushels ..	4,557	5,594	5,310	6,214
Spices, lb. ... ..	1,243,327	7,456	258,004	282,385
Ditto, cwt. ... ..	98,636	87,493	31,856	23,412

The following are the comparative imports and exports of raw material, showing again an enormous increase in silk :—

Month ending August 31st, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	265,966	269,235	—	—
Hemp, cwt ... ..	179,389	118,452	—	—
Raw silk, lb. ... ..	529,381	865,080	92,117	362,469
Cotton, cwt.... ..	598,701	480,807	157,437	98,526
Wool, lb. ... ..	12,571,304	13,283,137	4,403,380	7,484,992
Tallow, cwt. ... ..	105,468	95,415	—	—



Month ending August 31st, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Silk manufactures of Europe, lb.	87,184	65,885	85,980	62,062
Ditto of India, pieces ... ..	19,253	10,910	6,774	4,734

The miscellaneous imports appear to have been on an average scale. Dyes and dyeing stuffs show a decrease in most cases, especially in that of indigo. In hides and timber there has been a continued increase. The arrivals of palm oil, likewise, are fully maintained. In olive oil there is an uninterrupted decrease. Metals have presented no material variation.

THE *Moniteur* publishes the following monthly debtor and creditor account of the Bank of France, made up to Thursday, September 8. The corresponding figures of the previous month are added :—

DEBTOR.		F.	C.	CREDITOR.		F.	C.
Capital of the Bank .....	91,250,000	0		Cash in hand .....	107,029,078	24	
Ditto, New .....	91,250,000	0		Cash in the branch banks	118,588,074	0	
Reserve of the Bank .....	12,980,750	14		Commercial bills overdue	790,900	27	
Ditto, New .....	9,125,000	0		Do. discounted, but not due	816,471,622	61	
Ditto in landed property...	4,000,000	0		Ditto in the branch banks	292,240,194	0	
Bank notes in circulation	554,959,000	0		Advanced on deposit of			
Ditto of the branch banks	50,391,800	0		bullion .....	2,112,400	0	
Bank notes to order .....	6,822,230	18		Do. by the branch banks	1,588,600	0	
Receipts payable at sight	4,458,686	0		Do. on French public secu-			
Treasury account-current,				rities .....	28,305,886	10	
creditor .....	87,444,110	80		Do. by the branch banks	6,420,650	0	
Sundry accounts-current...	187,818,690	88		Do. on railway securities	19,180,800	0	
Do. with the branch banks	24,321,877	0		Do. by the branch banks	9,280,350	0	
Dividends payable .....	527,022	25		Do. to the State on agree-			
Discounts and sundry in-				ment of June, 1848 .....	50,000,000	0	
terests .....	1,455,331	70		New shares, not disposable	70,293,800	0	
Commission on deposits ...	12,041,551	51		Government stock reserved	12,980,750	14	
Re-discounted during the				Ditto disposable .....	52,189,482	8	
last six months .....	2,268,887	81		Hotel & furniture of the Bk.	4,000,000	0	
Protested bills .....	4,890	12		Landed property of the			
Sundries .....	8,012,911	17		branch banks .....	5,128,211	0	
				Expenses of the Bank ...	1,141,510	4	
				Premium on the purchases			
				of gold and silver .....	949,656	8	
				Sundries .....	451,124	45	
<hr/>				<hr/>			
F. 1,094,126,288 96				F. 1,094,126,288 96			

These figures are so extraordinary, coming immediately after the announcement of the relaxation in the mode of granting loans on stocks and railway shares, as to seem at first sight to involve some clerical or typo-



graphical mistake. There is, however, no question of their correctness, and the fact consequently has to be recorded that the moment selected by the directors to encourage the speculative portion of the public to draw upon their resources was that immediately preceding the announcement of a reduction of £896,000 in their stock of bullion, which has occurred in the space of four weeks, during which £10,120 has been expended to attract supplies by artificial and, of course, delusive means. The total now held is reduced to £9,022,000. The insufficiency of the existing rate of discount is at the same time shown by an increase of £1,032,000 in the bills held, while to admit of facilities being continued unchecked in the face of declining means the note issue has been augmented to the extent of £498,000. The advances on stocks have increased £56,500, and those on railway shares £58,000. In the Government balances there has been a falling off of £1,365,000, and the payments thus made by the Treasury have led to an increase of £735,000 in the deposits of the public.

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### THE BANK OF ENGLAND WEEKLY RETURNS.

EACH day now furnishes to the financial world an illustration of the way in which they strive for distant facilities, and neglect those at their door. If the Atlantic telegraph were in operation, what would be the first messages sought? The state of the bullion in the banks on both sides. But as regards the Bank of England, we have the power to get the information, and permit it to be kept back until, practically, it is useless. All the calculations of our merchants and manufacturers should be made with reference to the probable movements of the money-market, yet it is only after a lapse of seven days that they become acquainted with each return of the Bank of England on which those movements depend. While every effort is made to develop, at any cost, the system of instantaneous communication through all regions of the globe, a knowledge of the few figures, upon which more than anything else our commercial judgments should be formed, is allowed week by week to be withheld, although the very object of providing for their publication was that they might serve as the speediest signals to check all imprudent action. But, objectionable and ridiculous as the case thus appears, it does not end here. Although the governors and directors, as a body, use efforts to prevent those figures which they withhold from the public from transpiring for the benefit of individual speculators, it is notorious that absolute secrecy is not preserved. Even if there could be any plea for the concealment they profess to regard as desirable, it would thus be cut away. Indeed, in proportion as they assert the necessity for it, they condemn their own laxity, which renders it unattainable. The management of the Bank during the last six or seven years has been in all essential respects so sound and so honourable to the country, that it is disagreeable to have to enlarge upon the disregard of the interests and just rights of the commercial community manifested on this point. Some months back, when public attention was greatly aroused to it, there was a belief that arrangements would be made to enable the publication of the returns to take place in the *Gazette* of Tuesday instead of Saturday, or, at all events, that they should be publicly posted at the Bank on the morning of Wednesday. The intention, however, seems to have been allowed to drop. It is to be hoped it still exists, and that the delay in its fulfilment has been but accidental.

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**THE FALKIRK BANK FRAUD.**

A TRIAL for a bank fraud, which occupied three days and terminated on the 25th September, at Stirling, has resulted in a verdict which promises to form a very useful example. Mr. Salmon, the manager of the Falkirk branch of the Commercial Bank of Scotland, was recently discovered to have misappropriated between £25,000 and £30,000 of the sums entrusted to him. He was a justice of the peace, an elder of the church, an ex-provost of the town, and a prominent political leader. When he found that his delinquency had become known he absconded, and hanged himself in the stable of a public-house. The course of legal justice was therefore in his case ended. But there had been two clerks in the establishment named Reid and Gentles, who had been fully cognisant of his proceedings, as they had abetted him in falsifying the books, although they do not appear to have participated in the slightest degree in the plunder. These men the bank were advised to prosecute criminally, and the jury, by a majority of nine to six, has just pronounced them guilty. The considerations that as very young men they were greatly under the influence of a personage enjoying the local position of Mr. Salmon, that they had hitherto conducted themselves respectably, and that they had not personally had a single farthing of the money, were at the same time allowed due weight, and they were recommended in the strongest possible manner to the leniency of the Court. Lord Handyside, the judge, concurred in this view within proper limits, and instead of transportation their sentence was eighteen months' imprisonment in Perth Penitentiary. The wholesome lesson will accordingly go forth that all persons who wilfully assist in concealing pecuniary malpractices, even though they may themselves take no share of the proceeds of the fraud, are liable to ignominious punishment.

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**Banking and Commercial Law.****ON THE AMENDMENTS IN THE LAW RELATING TO WINDING-UP PUBLIC COMPANIES.**

THE law of joint-stock companies being of recent origin ought to be simple and clear, but its present complications and obscurities exceed those of the law of real property, which has its origin in the days of the Conquest.

Acts have been passed and repealed, re-enacted and amended, with such surpassing rapidity during the last eight years, and with such total disregard to their bearing on such other and on the affairs of life in general, that nobody knows what the law really is or where to find it. When a question arises it has to be well mutilated before several courts before any solution can be expected.

During the last session four acts have been passed, having a direct bearing on joint-stock companies. There are, the act to punish fraudulent trustees and directors, two acts to amend the



Joint-stock Companies Act, 1856, and the act to amend the winding-up acts.

It is on the latter of these that we now propose to offer a few remarks. We apprehend that what was really required by the dreadful cases which have occurred, was protection to the shareholders from proceedings at the suit of individual creditors, until a fund could be raised by the contributions of the shareholders, to pay the demands against the company. To give each creditor of a large joint-stock company the right of suing each individual shareholder was simply to confer the power to ruin the shareholder without benefiting the creditor. It was therefore an amendment in the mechanical part of the law alone that was required, and not any limitation of the principle of the liability of the shareholders. The act just passed is directed solely to the object of compromising the rights of creditors; with that view it does indeed provide that "when any such company heretofore has been or hereafter shall be adjudicated bankrupt, then if or so soon as creditors assignees shall have been appointed, or when any such company shall not have been or be adjudicated bankrupt, then, after the judge or master shall by advertisement have called on the creditors to appoint a representative or representatives, as hereinbefore mentioned, no such action as is mentioned in the seventy-third section of the said Joint-stock Companies Winding-up Act, 1848, shall be commenced or proceeded with otherwise than for the purpose of making the company bankrupt, nor shall any execution or *scire facias* be issued or proceeded with against the person, property or effects of any member or members for the time being of such company, or any former member or members thereof except by leave of the Court of Bankruptcy where such company has been made bankrupt, before an order shall have been made for winding-up the company, or of the said judge or master where such company has not been made bankrupt, before such order shall have been made, and no time which shall elapse after the appointment of creditors assignees as aforesaid, or after the said creditors shall be so called on, shall be reckoned as part of the time which by virtue of any statute of limitations or otherwise, is or shall be limited for commencing or prosecuting any action, suit, step or proceeding against the company, or the persons being members or contributories thereof, with reference to or in respect of any debt or demand which might be discharged or affected by any such compromise, composition, arbitration, or other arrangement as is hereinbefore mentioned.

But why should this amendment of the machinery of winding-up have been limited to the case of a compromise, when in



the recent notorious instances of the *Tipperary*, *Royal British*, and *London and Eastern Banks*, the shareholders are able to pay the debts of the company in full, and all that is required to obtain that result, is to protect the individual shareholder from the steam hammer force of the entire liabilities, whilst he is compelled to make the proportionate and necessary contributions?

We confess we cannot see why shareholders should be compelled to offer a compromise in order to obtain this necessary protection, nor why it should not have been extended to those who propose to pay in full. Here was a fine opportunity to pass a perfect measure on a particular point, but the legislature has passed an imperfect and crooked one. It has enabled those who propose a compromise to obtain a privilege which is denied to those who purpose the straight-forward course of discharging every just demand.

Our cotemporary the *Law Times* has the following remarks on the history of this act:—"Among the *Tipperary Bank* shareholders are some gentlemen of fortune amply sufficient to pay all the debts of the company from the moment of its bankruptcy; there has been an incessant endeavour to relieve them from their liabilities at the expense of the unfortunate depositors, whose money they had received and appropriated. After fighting the question through all the courts, and being defeated at all points, recourse was had to Parliament to carry out the iniquitous scheme. In the session of 1856, a bill was brought in expressly to meet the case of the *Tipperary Bank*. It proposed to empower a majority of the shareholders to appoint a representative, whose acts should bind the minority, and especially in the acceptance of a composition from the shareholders, that being of course the single object of the measure, although professing to be for the benefit of the creditors. The bill, which was really nothing more than a scheme for confiscating the rights of the creditors, was indignantly kicked out of the House of Commons as soon as its real character was revealed. But the parents of it were not to be daunted. The *Royal British Bank* failure came to their aid. Precisely the same object was sought there also. Among the shareholders are many wealthy men of ability to pay to all the creditors 20s. in the pound. For these the same relief was sought at the expense of their unfortunate creditors, as in the case of the *Tipperary Bank*. But how to compass it? A bill avowedly for the purpose was not likely to obtain the sanction of Parliament. Then was devised the scheme for accomplishing the desired end, under cover of a public bill pretending to amend the winding-up acts."

The action and reaction of joint-stock companies is wonderful.



We have lately seen how shareholders may be ruined under one system, we may probably see how creditors in the case of the *Surrey Gardens* may be ruined under another system. First one party cries for relief, and then the other; but we have yet to learn how to do justice between both.

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## Legal Miscellany.

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THE HASTINGS OLD BANK.—IN RE SMITH, HILDER, SMITH, AND SCRIVENERS.

THE bankrupts, who were the proprietors of the Hastings Old Bank, appeared before Mr. Commissioner Fane, at the Court of Bankruptcy, on the 23rd October, to pass their last examination.

The bankrupts' accounts, as prepared by Messrs. Turquand and Young, extend from July 22, 1852, to June 27, 1857, and contain the following items:—Dr., to unsecured creditors, £124,374; ditto, holders of notes, £25,185; profits, £44,497. Cr., cash handed to the official assignee, £6,592; property estimated to realise £104,825; losses, £22,423; bank expenses, £12,980; profits, £16,800; deficiency July 22, 1852, £15,260; difference in books, £1,974. To the item of deficiency, July 22, 1852, £15,260, is affixed a note that the amount will be increased by any loss in realising the partners' overdrawn accounts, the account of Tilden Smith being overdrawn £9,923, and that of Francis Smith £8,565. The credit balances of the other two partners at the time of the stoppage were—James Hilder, £2,432; George Scrivens, £2,856.

Mr. Bagley, Mr. Gregson, and Mr. Young appeared for the joint estate; and Mr. A. Turner for the separate estate of Francis Smith.

Mr. Lawrance, for the bankrupts, said Mr. Francis Smith and Mr. Scrivens would now pass their examination with the consent of all parties. As regarded Mr. Tilden Smith, he was 87 years of age, and so afflicted with paralysis as to be unable to be present to-day. He understood that it was wished that he should be examined, and he was sure that if the registrar of the Court would take the examination at Hastings the fullest information would be readily given. He feared that there was but slight probability of Mr. Smith being able to come to town. As regarded Mr. Hilder, he was in attendance, and he understood that the assignee required from him some information.

Mr. Bagley—Indeed we do require a great deal.

The Commissioner—What is his age?

Mr. Lawrance—85 or 87 years.

Mr. Bagley said, as regarded Mr. Hilder, there was a great deal of property not yet traced. He had a private ledger, which was stated to have been destroyed by his wife, and to relate to transactions with his sons.

The Commissioner—You wish to examine him?

Mr. Bagley—Yes.

Mr. Lawrance suggested that it would not be desirable to commence the examination at that late hour of the day. He suggested an adjournment.

The Court concurred, and said it would be taken at 11 to-morrow (Saturday).



Mr. Lawrance said the official assignee had already in hand upwards of £85,000, and that a dividend of 10*s.* in the pound would be declared under the joint estate in the course of a few days. A dividend of 20*s.* in the pound would also be declared under the private estate of Mr. Scrivens, leaving a surplus of £5,000, to be carried to the joint estate.

Mr. Bagley—I wish to put a few questions to Mr. F. Smith before the adjournment of the meeting.

Mr. Smith, jun., examined, said there was an entry in his balance-sheet with reference to a promissory note for £500, due in November next, as drawn by George Clement upon Richard Smith. He (bankrupt) had endorsed that note after the bank had stopped payment. In another page there was a mention of a loan of £150, as granted in 1856 by George Clement to Mr. Barron. He had given a guarantee to Clement for the amount. He thought that guarantee was in writing. Had little doubt about its being in writing.

Mr. Francis Smith and Mr. Scrivens then passed their examination, and Thursday, the 17th of December, at 12, was appointed for their certificate meeting. An adjournment of their examination to the same time was ordered in the case of the other bankrupts.

Another meeting took place on the 24th October, for the proof of debts and the examination of Mr. Hilder.

Mr. Sturgeon tendered a proof for £3,000 on behalf of Mr. Edward Yates, son and executor of Mr. Edward Yates, against the separate estate of Tilden Smith, one of the bankrupts. The claim arose upon a joint and several promissory note for £3,000 as given by Tilden Smith, Richard Smith, and Henry Smith. Mr. Sturgeon said that his client, feeling somewhat alarmed by the case of the Royal British Bank, pressed Mr. Tilden Smith for payment; Smith suggested the allowance of time, and that additional security would in the meantime be given. Acting upon this suggestion Mr. Russell had endorsed the bill.

It was contended for the assignees that this endorsement had voided the bill altogether, being a material alteration in the bill and a fraud upon the stamp laws, and cases were cited in support of that view.

The proof was rejected on the bill, Mr. Yates to be at liberty to tender the proof in another form.

Mr. James Hilder, about eighty-seven years of age, examined, said that he managed the Robertsbridge branch of the business. The stoppage of the bank took place on the 26th or 27th of June last. There was about £306 in hand. He paid that money away, but he did not know to whom. His son, John Hilder, had access to the money, and it was probable that he took some of it away. The remainder was doubtless appropriated by himself (the bankrupt). He might have had £50 or more himself, which he subsequently disbursed in wages and necessaries. He did not know the amount he paid away for wages. His books would not show it. He had some poor relations who now and then wanted a little money. Latterly he had not entered everything in his books. He could not tell exactly the date when he ceased to enter items. The last items on the credit and debit sides of the cash book, in his handwriting, were two entries on the 24th of June. When he did not make entries himself, his clerk, Adams, had orders to make them for him. Adams had made entries for him up to the 30th of June. Anything that he should have paid away it was his duty to enter. He could give no further account of the £50. His son, a farmer, farms about twenty acres, in addition to land in which he has a life interest. It was not his son's custom to inform him (bankrupt) what he did with money obtained from him. He had not done so on this occasion, nor had



he been asked. On the 24th of June there was an entry of £509 on the credit side. His son had had that amount twenty years ago, and he thought he could write it off on that day. The cash was debited on the same day with the receipt of £409 from Hilder and Stander, and £100 from John Hilder. No such receipt took place. On the 18th of June there was an entry 'of £123 2s. 10d., as received from John Hilder. He did not receive that sum as stated. The references in the margin, marked "P. L." referred to his private ledger. That book had been destroyed, he believed, since his bankruptcy. On the 18th of June there was an entry on the credit side of the cash book of £540, as received from John Hilder, in respect of three years' interest on bond to the 31st of December, 1856. He dared say that that amount was paid, but he was not sure. His son generally signed his name in the cash book for all moneys received. On the 3rd of September, 1852, there was an entry of £500 as paid to him. That entry was in his son's handwriting. His son had as much money as he liked from him. He supposed other people gave their children money sometimes, (Laughter.) He believed his son took the £500 himself, but he had no doubt that, with his permission, he debited himself with the amount in his private ledger. All the gifts and presents he made his son were, he believed, entered to his debit in the private ledger. He used to tell his son that he might take what he liked as a gift. He did not know that he had told him in so many words every time he gave him anything that it was a gift, but that was the understanding. The money was his (bankrupt's) own, and he thought he could do what he liked with it. Would not you? (A laugh.) He gave his son John permission to draw to any amount; there was no limit whatever. He told him he might take whatever he liked, and that he should never expect to be repaid. His son John was now on the Continent somewhere—Boulogne or Calais, he thought—for change of air. He had not heard from him for some weeks. He was in this country at the time of the bankruptcy, but he went away in July or August. In consequence of excitement occasioned by his (Mr. James Hilder's) bankruptcy, he was taken unwell, and became subject to spitting of blood. His family were not with him now, but they went to see him sometimes. He was not staying away for fear of arrest or any of that sort of thing. There was nothing to prevent his coming to London that he knew of. On the 20th of June last, he (bankrupt) drew a cheque upon the bank for £50. He expended that money, but among whom he would not say, because his granddaughter would not like everybody to know it. He could recollect the names if he liked, but he desired not to mention them, and he therefore declined to do so. He might have kept a tolerably close and correct account of all his outlay. From time to time he had received sums from the bank as his share of the profits. When the other parties took, he used to take. In March, 1854, he received £500; in February, 1855, another £500; in December, 1855, £100; and on the 21st of February, 1857, £500; making £1,600. He had paid all these amounts away, but he did not know exactly to whom. He should not wonder if they were given to his son John as presents. He did not, he thought, give them to his son when they were received, but very likely a little time after. He did not think those amounts were entered in the private ledger, because he intended to give them to him absolutely. Of the first £500, he gave him, he thought, £400 or £450. He did not recollect what he said to him. He had no memory for that. That was all the account he could give as to the £1,600. All the moneys that went through John's hands were presents, and were appropriated



to John's own use. He did not know when the entries of the 18th, 20th, and 24th of June were made. They were not in expectation of the bankruptcy that he knew of. He supposed they had got the books out, and therefore made the entries. They had not the books open every day, sometimes not for a month, sometimes not for three months; but the entries were, of course, made at the time they bore date. He did not know of any particular reason for making the entry of the 24th. He had not heard that the bank was going to stop. Scrivens did not let him know about that, but took the whole on himself. He might have known that the bank was in a precarious situation. It might have been a week or two before the bank stopped that he thought it was in a precarious position. He had known for some time previously that Smith's account was overdrawn, but he knew of nothing to induce him to believe that all might not go on well. Smith's family had overdrawn their account for some time, and had got very much into the bank's debt. Scrivens told him about two years ago that Richard Smith had paid £1,000. He did not tell him how much Smith owed, but said he thought the account looked better. The amount owing by Smith was not so large as the entire amount of notes issued by the bank. The failure of Richard Smith had, no doubt, stopped the bank. As early as February, 1848, he wrote to the Smiths to reduce their account, but he was not afraid then that the amount they owed would break the bank. He might have been so dissatisfied at one time as to have said that if Tilden Smith did not leave the concern, he would do so. In March, 1850, he had written to Scrivens, saying that Smith's affairs "looked frightful." Upon being referred to a letter (produced) he found that he was mistaken as to the total amount of Smith's debt. He found that at one time it was £31,000, being about £7,000 or £8,000 more than the amount of notes they had in circulation. He was very anxious at that time about their connexion with Smith. In 1848 he mortgaged his own estates to a Mr. Luck for £6,000. This money was used for the purposes of the bank, and it was repaid to Luck in 1851, he thought. The settlement made upon his son was dated the 22nd of July, 1852. At that time he knew the state of their affairs, but he was not at all anxious then about Smith's concern. The settlement disposed of all his landed property, and, indeed, everything he possessed, except his household furniture and share in the bank. The settlement assigned over the whole of the property for the benefit of his son John, subject to some proper payments. His son James died in 1856. The allowances to him were to be found in his books. The total amount he gave to him was between £12,000 and £13,000. The last payment he made on his account was for funeral expenses. All his transactions with John were not in his books—some were in the private ledger. With respect to the private ledger there might have been something contained in it with regard to James that his (bankrupt's) wife did not wish everybody to know, and therefore she destroyed it. At the time he made the settlement in favour of John, he did not think of the bank's position, and he had no idea that Richard Smith's concern would bring the bank to ruin. Since 1848 the balance due from the Smith's had been reduced, but not at any time wholly paid. He was afraid there would be a loss if George Scrivens did not make them balance. There was no particular reason why he should have made the settlement at that time. Certainly one inducement was an idea in his mind that his son James would make away with the property in case of his death. His son James was born before marriage, but he was not aware that he had not the power to take everything. He supposed that he could have accepted whatever he might have given to him. His object



was to keep James from ruining the family. He did not make the settlement, being afraid of the bank's position. He was very much inclined to think that the reason he had mentioned was the only one he had for making the assignment. He was under the impression that he bound John not to give James any of the property settled upon him. James was thirty-seven years of age when he died. He thought his private ledger was destroyed after the stoppage of the bank. His wife was not of a mind that the book should injure his character. About the time the settlement was made, a statement was prepared by George Scrivens, showing that the bank was then solvent. He did not know whether that was the fact or not. He did not know why such an account was required.

The bankrupt in giving the above evidence did so with evident reluctance, occasionally muttering remarks to the effect that he considered himself very ill-used in being subjected to such an examination.

## Reports of Joint-Stock Banks.

### BIRMINGHAM TOWN AND DISTRICT BANKING COMPANY.

THE annual general meeting of proprietors was held on Tuesday, the 11th of August, Mr. J. O. Bacchus in the chair, when the following report was read and adopted :—

The directors of the Birmingham Town and District Bank, in presenting the twenty-first annual report of the success attendant upon their labour for the year ending the 30th of June last, have to state that it has produced a favourable result in a time, and under circumstances, of commercial difficulty and monetary pressure. They observe with satisfaction that the business of the bank continues to increase; and they consider it might be yet more profitably worked by the united aid, and extended support, of the proprietors. The assets in the bank on the 30th of June, and the general balance-sheet at that period, have been carefully examined by all the directors, and they find, after charging the whole of the incidental and working expenses, paying the income tax on the previous year's profit, and writing off a sum sufficient to cover the bad debts of the year, a larger amount of profit remains than they were enabled to exhibit to the shareholders in their former report. The amount of profit for the year ending 30th June, 1857, is £13,556 14s., which, taking in to account the sum paid out for income tax, equals a profit of about 19 per cent. per annum on the paid-up capital of the company. The half-yearly dividend and bonus paid in March last amounted to £5,625; and the directors now propose to pay for the remaining half-year the same dividend of five shillings, and bonus of two shillings and sixpence per share, free of income tax. If this proposal has the concurrence of the meeting, the profit account and its appropriation may be thus stated :—

Surplus profit from the year 1856	...	...	...	...	£1,633	7	1
Profit for the year 1857	...	...	...	...	13,556	14	0
<b>Making</b>					<b>£15,190</b>	<b>·1</b>	<b>1</b>



1857.

Paid March dividend and bonus ... ..	£5,625	0	0
Paid to sundry charities ... ..	85	0	0
To pay for September dividend and bonus ... ..	5,625	0	0
To pay on building account ... ..	100	0	0
To next year's account ... ..	3,755	1	1
	<u>£15,190</u>	<u>1</u>	<u>1</u>

The guarantee fund remains at £45,000.

The report was received and approved, a dividend of five shillings per share, and a bonus of two shillings and sixpence per share, free from income tax, was declared for the half-year, payable on or after the 1st of September next.

### ALLIANCE BANK.

THE meeting of English shareholders was held at the London Tavern, on the 24th September, Mr. A. De Barante chairman, when the following report was adopted:—

In conformity with the usage of companies legally constituted in France, the dividends on the shares in the Alliance Bank are payable annually. In the intermediate half-year, interest only for the six months, at the rate of 5 per cent. per annum, is allowed to be paid, provided that the profits are sufficient for that purpose. It is, therefore, to this point, viz., the sufficiency of the profits to pay a half-year's interest, at the rate of 5 per cent. per annum, that the directors' attention has been especially directed in their examination of the result of the bank's business during the six months ending 30th June, 1857.

These results are now laid before the shareholders.

	Fr.	Cts.	£	s.	d.
The amount of business during this period has been ... ..	102,769,852	63	4,111,794	2	1

And the total amount of profits up to the 30th June, 1857, after deducting all current expenses, was ...	578,676	80	23,147	1	5
This amount, however, includes the... carried forward on 31st December, 1856, to profit and loss "new account."	158,299	21	6,331	19	5

The amount of profits on the first half-year of 1857, has, therefore, been...	420,377	59	16,815	2	0
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If a second sum of ... ..	150,000	0	6,060	0	0
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be set aside to add to the provision for a reserve fund, and, if also £815 2s. be considered as a provision for bad and doubtful debts, there still remains a surplus of profits of £10,000, equivalent to 10 per cent. per annum, for six months, on the £200,000 capital of the bank. The directors have, therefore, felt perfectly justified in paying, as an instalment, on account of the year's dividend, the stipulated six months' interest, at the rate of 5 per cent. per annum, say 10s. per share, making £5,000, on the 10,000 shares of £20 each, into which the capital of the bank is divided. A reference



to the report presented to the general meeting of 14th March, 1857, shows that the business done during the nine months ending 30th December, 1856, had been £2,899,574 6s. 3d., that is at the rate of £3,852,765 0s. 0d. per annum. The business done during the first six months of 1857 having been £4,111,794 2s. 1d.; gives a rate of above eight millions sterling per annum, *i. e.*, more than double that of the previous period. The number of the bank's customers and correspondents have increased, also, in a like proportion, and the directors look forward with confidence to a steady increase of prosperity in the affairs of the establishment. In accordance with the wishes expressed by the shareholders, at the last meeting, the forfeited shares have now been all sold, without loss to the bank. It is hoped that this circumstance will induce the committee of the Stock Exchange to waive the objection it has hitherto felt to the official quotation of the Alliance Bank shares, and with a view to obtain this object the signature of the shareholders is requested to the memorial now laid before this meeting.

## Communications.

*To the Editor of the "Bankers' Magazine."*

### CHEQUES BY GUARDIANS OF THE POOR.

SIR,—In pursuance of an order from the Poor-Law Board, the guardians of the several Unions now draw cheques on their bankers, payable on demand to "order," without a stamp. I believe the order of the Poor-Law Board was issued in April last, and quotes some act of William IV. as authority for the exemption.

Is there anything in the last act for regulating the stamp duties recognising such a claim? There is an apparent inconsistency in being exempt from the draft stamp duty whilst held amenable to the duty on receipts.

I am, sir, your obedient servant,

J. S.

16th September, 1857.

[It is possible there may be such an act, but we have not yet found it. If we do so, we will refer to the subject again.]

### BILLS PAYABLE IN LONDON.

SIR,—Will you be kind enough in your next to say why it is all bills on parties in England must be drawn out, "Pay to my order in London?" I presume it is that they may be more negotiable; but your reply will oblige.

Yours respectfully,

REGULAR SUBSCRIBER.

[It is not necessary that such bills should be payable in London. Bills may be made payable at any place, and are in practice as often payable in the country as in London.]



STATUTE OF LIMITATIONS—STALE CHEQUES.

SIR,—Does the Statute of Limitations apply to bank notes and bank deposits, or is there a clause in the act exempting bankers' liabilities? Again: Is a banker justified in paying a draft, however long a time may have elapsed since the date thereof? If not, how long does a draft remain in force? An answer to these queries will oblige.

Your obedient servant,

JUVENIS.

[1. The statute does apply to bank notes and bank deposits.

2. There is no rule of law fixing the time within which a cheque should be presented, but it is customary with bankers to refuse to pay a cheque more than six months old until after making some inquiry of the drawer.]

BILLS IN CHANNEL ISLANDS.

SIR,—May I beg you to inform me whether bills drawn in the Channel Islands and negotiated in England should have a foreign bill stamp affixed, or are such considered inland bills by the Mercantile Law Amendment Act of 1856, 19 and 20 Vic., c. 97, s. 8?

Yours obediently,

23rd Sept., 1857.

ENQUIRER.

[Bills drawn in the Channel Islands and made payable in or drawn upon any person resident in any part of the United Kingdom, are inland bills except as regards the stamp duty. See sec. 7 of Mercantile Law Amendment Act.

The bills in question require the foreign bill stamp.]

DEPOSIT RECEIPT.

SIR,—Please to favour me with your opinion on the following case in the next number of your magazine.

A and B deposit money, on a receipt in their joint names, with their banker O, repayment to either of them being expressed on the receipt. A, who is about to leave the country, subsequently calls upon O, and requests that he will only pay the money on the joint signatures, stating, at the same time, that B has no interest in the money, and is only named in the receipt conjointly with A, for the purpose of distributing the money in the event of A's decease, who sails from the country before any communication can be made with B.

B presents the receipt to O some weeks after, and demands payment, which O declines, giving A's statement as his reason for doing so. B alleges that he has an equal interest in the money with A. Is O justified in refusing payment of the money to B, in face of the stipulation on the receipt to repay either to A or B?

I am, sir, yours obediently,

17th October, 1857.

A SUBSCRIBER.

[We think the banker is bound by the terms of the receipt, and that he cannot successfully resist the demand of B. When A gave the notice, the banker should have required an indemnity, or returned him the deposit. If A were in this country, the safe course would be to give him notice of B's application. As this cannot be done, we fear he must pay B, whilst it is possible he may be under some liability to A if the money be misapplied.]



## DEPOSIT RECEIPTS.

SIR,—I will thank you to inform me if "deposit receipts" in the following form—"Received from A. B., of Birchin-lane, the sum of One hundred pounds sterling, to be accounted for at an office here"—are liable to the penny draft stamp duty, when paid at another branch or bank, being beyond fifteen miles from the place of issue and date of receipt; or whether they are not free, being neither drafts or orders for payment of any sum of money to the bearer, or to A. B. or order. Would you also please say if they can be transferred to another party on endorsement, and if the bank is obliged to pay to that party on production of the receipt so endorsed by the party in whose favour the receipt has been granted.

I am, sir, your obedient servant,

8 Birchin-lane, Cornhill, London.

A SUBSCRIBER.

[We do not think this document requires any stamp, but we think it is not transferable, although the personal attendance of the party may be unnecessary, and the bank be justified in paying on the production of his receipt.]

## CLERKS' SALARIES.

SIR,—Your correspondent has given, in your last publication, a statement of his expenditure on £80 per annum.

I beg to enclose you my actual expenditure, with a salary of £115, commencing from 1st January (six months after marriage), and ending 31st December, when the first baby was five months old.

My plan was to hand over £5 at a time to my wife, who paid for everything included in the first item (housekeeping), and entered each payment in a book.

The item £1, servant, I must explain. We did not keep a girl until the middle of August—say, for the last twenty weeks of the year, at 1s. per week; her age was fourteen, and her five months' keep is included under the first head. Nurse, £1, was paid out of sundries. Yours, &c.,

Oct. 8, 1857.

R.

To make up my expenditure, I must inform you that the death of a relative brought me £12 12s., and I commenced the year with £9 odd, cash in hand, which left me, at the close of the year, in possession of £2 16s. I could furnish you with the succeeding year's expenditure, if it would be of any service to your readers.

Housekeeping	...	...	...	...	...	£60	19	5
Rent	...	...	...	...	...	14	0	0
Poor rates	...	...	...	...	...	1	18	8
Clothes and shoes, self ..	...	...	...	...	...	11	6	10
Ditto (wife and baby) ...	...	...	...	...	...	10	0	0
Income-tax	...	...	...	...	...	4	3	6
Guarantee Society	...	...	...	...	...	4	0	0
Donations and subscriptions	...	...	...	...	...	3	2	6
Life insurance (£200)	...	...	...	...	...	5	3	6
Wine and spirits	...	...	...	...	...	4	5	2
Doctor	...	...	...	...	...	3	16	6
Servant	...	...	...	...	...	1	0	0
Sundries	...	...	...	...	...	10	5	7

£134 1 8



Salary	...	...	...	...	...	...	£115	0	0
Deficit	...	...	...	...	...	...	19	1	8
							<hr/>		
							£134		
							<hr/>		
							1		
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							8		

## BANKERS' CLERKS' SALARIES.

SIR,—Many thanks for allowing your journal to be the medium of advocating the better remuneration of the poor banker's clerk.

May I be allowed to trespass upon your columns by saying that I quite agree with your correspondent who thinks "clerks' minds should be free;" but, sir, how is this to be obtained, and where is the remedy? I reply, with the employer—"the banker."

It is well known that banking is, and has been, one of the most profitable businesses (properly managed) in Europe, and while the incomes of the "bankers" are that of a princely amount, those of their poor clerks, whose life-blood is being spent in their service, is not sufficient to allow a man with a family the ordinary comforts of life.

I differ with your correspondent in the amount he states for a clerk's dinner in the City during the year, viz., £14, or, as near as possible, 11d. per diem. It is a fact, sir, that many bankers' clerks cannot afford to spend more than 6d. per day, or just sufficient to keep life together; of course this refers to married men with families, and as we cannot all escape the darts of Cupid (neither do we wish), we must endeavour to bear with the difficulties which follow.

I am a banker's clerk, and was captured in Love-lane when my salary was about £120 per annum. I began comfortably, but what with births, long doctor's bills, losses of my little ones, and other expenses, I have not yet been able to gain my equilibrium, neither do I see any prospect of it where I am; but as I have a very practical knowledge of banking in all its branches, I am living in hope that something will turn up which will at least brighten my future prospects, if it does not enhance my present welfare.

More or less employers must know the demands of their servants, and, if they do no more, they ought to remunerate them in such a way as to relieve them from that daily anxiety which only unfits them for their duty, and prevents them from entering into those domestic pleasures which are quite compatible with the married life.

I think, sir, if bankers' clerks could be paid more frequently than once in the quarter, it would prevent their running long tradesmen's bills, which are only a weight upon his mind, and tend to swallow up all his salary as soon as he has received it. Let him be paid at least monthly, and he may then have the opportunity of getting what he requires at a ready money market, which all know is the cheapest.

As long as gold, gold is the employer's god, so long will bankers' clerks be a poor oppressed lot; but he has one comfort, that is, a fearful retribution awaits those who thus oppress him, if not in this world, most certainly in the world to come, and I for one envy not their condition in the sight of Him who knoweth all things.

One word more; I am not sweeping all with one broom. There are most honourable exceptions, and we cannot but wish them long life and happiness. Would that there were more of them!

Pardon this long epistle, from yours,

Islington, Oct. 3, 1857.

NOTES AND CHECKS.



## MONTHLY CHRONOLOGY.

Sept. 29.—Announcement of the failure of Messrs. Taylor and Bright, extensively engaged in the corn and seed trade at Hull. Mr. Bright subsequently apprehended on a charge of forging and uttering various bills of exchange, and the transfer of a large number of railway shares.

Oct. 2.—The National Bank of Munich raised its rate of discount from 5 to  $5\frac{1}{2}$  per cent.

3.—Suspension of Messrs. J. and J. Beard of Manchester, in the silk trade, with liabilities amounting to about £60,000.

5.—The Bank of Prussia raised its rate of discount to  $6\frac{1}{2}$  per cent.

7.—Kept as a day of fast and humiliation on account of the Indian mutinies.

8.—The Bank of England raised its *minimum* rate of discount from  $5\frac{1}{2}$  to 6 per cent.

9.—The Bank of Holland raised its rate of discount to  $5\frac{1}{2}$  per cent.

10.—Announcement of the suspension of M. Nessim Solal, merchant of Marseilles. Liabilities stated not to be large.

11.—The Bank of Hamburg raised its rate of discount to  $7\frac{1}{2}$  per cent.

12.—The Bank of England announced a further advance in the *minimum* rate of discount to 7 per cent.

12.—Failure of Messrs. J. Monteith and Co., merchants, of Glasgow.

12.—Suspension of Messrs. Macdonald and Co., of Glasgow.

12.—Stoppage of Messrs. Wallace and Co., of Glasgow.

12.—Failure of Mr. Hugh Fergusson, stuff merchant, of Manchester and Bradford, with liabilities estimated at £40,000.

12.—The Bank of France raised its rate of discount to  $6\frac{1}{2}$  per cent.

13.—Suspension of Messrs. Ross, Mitchell and Co., Canadian merchants of London. At a meeting of the creditors subsequently held, the liabilities were shown to reach £398,000, but with a surplus of assets amounting to £57,000, and it was agreed that the estate should be liquidated by the firm, they undertaking to pay 20s. in the pound, by four instalments of six, twelve, eighteen and twenty-four months.

14.—Failure announced of Mr. S. F. Stephens, of London, bill broker.

14.—Messrs. Scarratt and Partington, Blackwell, Hull, factors, announce their inability to meet their engagements. Their liabilities estimated at from £40,000 to £60,000.

14.—Suspension of Messrs. Afflicot and M'Kerrow, of Manchester, Scotch warehousemen.

14.—Failure of Mr. W. B. West, wholesale haberdasher, Manchester.

14.—Stoppage of Mr. John Little, wholesale milliner, Manchester. The liabilities estimated at £60,000.

14.—Suspension of Mr. Edmund Whitehead, of Springwood Mill, New Middleton, silk manufacturer. Liabilities £20,000. At a meeting of creditors subsequently held, it was agreed to accept a composition of 8s. 9d in the pound.

14.—Failure of Mr. Boskowitz, commission merchant of Pesth. The liabilities estimated at £250,000.

14.—The Bank of Holland raised its rate of discount to 6 per cent.

14.—The Bank of Antwerp raised its rate of discount from  $3\frac{1}{2}$  to  $4\frac{1}{2}$  per cent.

14.—The Bank of Hamburg further raised its rate of discount to 8 per cent.

16.—The Bank of Hamburg made another advance in the rate of discount, viz., to 9 per cent.

17.—Failure of Messrs. Whan, M'Lean and Co., of Glasgow, and Hamilton, Canada.

19.—The directors of the Bank of England again put up the rate of discount from 7 per cent, to 8 per cent.

19.—Failure of Messrs. Auld and Buchanan, merchants and shippers of Glasgow, with liabilities reaching £100,000.

19.—Stoppage of Messrs. Malanotti and Co., of Vienna. Estimated liabilities £40,000.

19.—The rate of discount at Hamburg raised from 9 to  $9\frac{1}{2}$  per cent.



20.—Failure of Messrs. Balabio and Co., the bankers, at Milan.

21.—The East India Company gave notice of a further advance of 4 per cent. on their rates for bills drawn upon the three presidencies, viz., on Bengal and Madras from 2s. 1d. to 2s. 2d., and on Bombay from 2s. 1½d. to 2s. 2½d.

23.—In consequence of the continued illness of the King, the Prince of Prussia was appointed Regent of Prussia for three months.

26.—News arrived by telegraph of the capture of Delhi.

The failures announced to have taken place in the United States during the past month, are comprised in the subjoined list,—

Messrs. Clark, Dodge and Co., bankers, New York.

Messrs. Pittitts and Co., importers of hardware and whale oil, New York.

Messrs. P. Chontean, jun. and Co., merchants, New York.

Messrs. Hutchinson, Ziffana and Co., warehousemen, New York.

Messrs. Bowen, McHamee and Co., silk importers, New York.

Messrs. Levy and Co., importers of manufactured goods, Philadelphia.

Messrs. Lawrence, Stone and Co., extensive factory owners, Boston.

The Bank of Pennsylvania.

The Bank of Baltimore.

The Girard Bank, Philadelphia.

Messrs. Bangs, Brothers and Co., trade sale auctioneers, New York.

Messrs. Spencer and Porter, grocers, New York.

Messrs. L. J. Leny and Co., dry goods trade, Philadelphia.

Messrs. Smith, Murphy and Co., dry goods trade, Philadelphia.

Messrs. C. Hallowell and Co., dry goods trade, Philadelphia.

Messrs. Fassett and Co., dry goods dealers, Philadelphia.

Messrs. Hieskell, Hoskin and Co., dry goods merchants, Philadelphia.

Messrs. Tennent and Derrickson, dry goods dealers, Philadelphia.

Messrs. Caleb, Cope and Co., dry goods trade, Philadelphia.

Messrs. Perase and Brooks, paper manufacturers, Philadelphia.

Mr. James Carter, merchant, Galena.

Messrs. Masterton and Co., New York.

The Union Straw Works, Foxboro'.

Messrs. Tyler and Wild, shoe dealers, Rochester.

Messrs. C. H. Mills and Co., domestic goods trade, Boston.

The Ellenville Glass Company.

Messrs. A. S. Lippincott and Co., Philadelphia.

Messrs. French, Bisson and Co., oil merchants, &c., Providence.

Messrs. J. Woolley, banker, Indianapolis.

The Miami Valley Bank, Dayton.

Messrs. Cyrus, W. Field and Co., paper dealers, New York.

Messrs. J. Farnham and Co., domestic goods trade, Philadelphia.

Messrs. Hocker, Lea and Co., dry goods trade, Philadelphia.

Messrs. T. P. Remington, dry goods trade, Philadelphia.

Messrs. Deal, Millington and Burt, dry goods jobbers, Philadelphia.

Messrs. Emmans, Danforth and Scudder, Boston.

Messrs. Mason and Co., machine and locomotive manufacturers, Taunton,

Massachusetts.

The Montour Iron Company, Danville.

The Rock River Bank, Beloit, Wisconsin.

The Bank of Elgin, Illinois.

The Whittenton Cotton Manufactory, Taunton, Massachusetts.

Messrs. E. J. Tinkham and Co., Chicago.

Messrs. Darby and Barksworth, St. Louis.

Messrs. John J. Anderson and Co., St. Louis.

The Western Bank, Springfield, Massachusetts.

The Ware Bank, Hampton Falls, New Hampshire.

The Bank of Central New York, Utica.

The Exchange Bank, Murfreesborough.

Bank of Clairborne, Tasewell.



Bank of Lawrenceburg, Lawrenceburg.  
 Bank of Jefferson, Dandridge.  
 Bank of Memphis, Memphis.  
 Northern Bank of Tennessee, Clarksville  
 The River Bank, Memphis.  
 Messrs. Kennet, Dix and Co., New Orleans.  
 The Northern Bank of Mississippi, New Orleans.  
 Messrs. Vorhill, Gregg and Co., New Orleans.  
 Mr. S. Fotheringham, jun. and Co., Boston.  
 Messrs. J. W. Clark and Co., Boston.  
 Messrs. Sweetzer, Gerkin and Co., Boston,  
 Messrs. Chickering and Co., Boston.  
 Messrs. Lawrence, Stone and Co., Boston.  
 Mr. J. A. Lowell, Boston.  
 Mr. Benjamin Howard, Boston.  
 Messrs. Richardson, Kendall and Co., Boston.  
 Messrs. P. Jones, Parson, Cutter and Co., Boston.  
 Messrs. Moses Pond and Co., stove dealers, Boston.  
 Messrs. R. N. Wardall and Co., agents, Philadelphia.  
 Messrs. White, Stevens and Co., Philadelphia.  
 Messrs. Bowen, Ely and McCormell, New York  
 Messrs. Gage, Sloan and Slater, New York.  
 Messrs. Gage, Dater and Sloan, New York.  
 Messrs. L. Bauer and Co., New York.  
 Messrs. Livingston and Ballard, New York.  
 Messrs. Chateau, Harrison and Valle, St. Louis.  
 Messrs. James H. Lucas and Co., St. Louis.  
 Mr. R. H. Brett, Toronto.  
 The Exchange Bank, Tennessee.  
 The Shelbyville Bank, Tennessee.  
 The Lawrenceburg Bank, Tennessee.  
 The Trenton Bank, Tennessee.  
 Messrs. Dunbar, Drake and Co., Cincinnati.  
 Messrs. Culner, Hutchings and Co., bankers, Louisville.  
 Messrs. Smidt and Co., bankers, Louisville.  
 The Cumberland Coal Company.  
 Messrs. Powell, Ramadell and Co., Newburg.  
 The Powell Bank, Newburg.  
 The Bank of Bellville, Illinois.  
 Messrs. Moore, Hallenbush and Co., bankers, Quinsay.  
 The Charter Oak, Mercantile and Exchange Bank, Hartford.  
 Messrs. Yelverton and Walker, New York.  
 Messrs. Latner and Co., New York.  
 Messrs. Sathen and Church, New York.  
 The Farmers' and Citizens' Bank, Williamsburgh.  
 The Fox River Bank, Wisconsin.  
 Messrs. Hutchinson, Tiffany and Co., Newburgh.  
 Messrs. Powell, Ramadell and Co., Newburgh.  
 Messrs. Swift, Ransom and Co., brokers and agents of a Chicago bank.  
 The Hudson River Bank, Hudson.  
 The Farmers' Bank, Hudson.  
 The old Saratoga Bank.  
 The Stark Bank of Vermont.  
 The Bass River Bank, Massachusetts.  
 The Bank of Leonardsville.  
 The Bridgeport City Bank, Connecticut.  
 The People's Bank, Milwaukee.  
 The Badger State Bank, Wisconsin.  
 The Exchange Bank, Bangor, Maine.



Hallowell Bank, Hallowell, Maine.  
Hancock Bank, Ellsworth, Maine.  
Shipbuilders Bank, Rockland, Maine.  
Maritime Bank, Bangor, Maine.  
Ellsworth Bank, Ellsworth, Maine.  
China Bank, China, Maine.  
Central Bank, Hallowell, Maine.  
Sanford Bank, Sanford, Maine.  
Cochituate Bank, Boston, Massachusetts.  
The Grocers' Bank, Boston, Massachusetts.  
The Manufacturers' Bank, Georgetown, Massachusetts.  
The Exeter Bank, Exeter, New Hampshire.  
The Lancaster Bank, Lancaster, New Hampshire.  
The Stark Bank, Bennington, Vermont.  
The South Royalton Bank, South Royalton, Vermont.  
The Danby Bank, Danby, Vermont.  
The Eastern Bank, West Killingly, Connecticut.  
Wooster Bank, Danbury, Connecticut.  
Woodbury Bank, Woodbury, Connecticut.  
Hartford County Bank, Hartford, Connecticut.  
Colchester Bank, Colchester, Connecticut.  
Messrs. Harper Brothers, New York.  
Messrs. Wood and Grant, New York.  
Messrs. Hoppoch and Greenwood, New York.  
Messrs. Connelly and Adams, New York.  
Mr. G. S. Hilman, New York.  
Messrs. Buckley and Moore, New York.  
Messrs. Baptist and White, New York.  
Messrs. Brummell and Roysters, New York.  
Messrs. Dykers and Alstyne, New York.  
Messrs. Hall, Dana and Company, New York.  
Messrs. Ludlum, Leggett and Co., New York.  
Messrs. L. C. Wilson and Co., New York.  
Messrs. Cabart, Bacon and Co., New York.  
Messrs. Kitcham, Montrose and Co., New York.  
The New York and Erie Railroad Company, bills protested.  
The Michigan Central Railway Company (on its floating debt).  
Mr. J. A. Genin, New York.  
Mr. H. A. Coit, New York.  
Messrs. Leymorn and Co., New York.  
Messrs. Corlies and Co., New York.  
Messrs. Corning and Co., New York.  
Messrs. Fenton, Lee and Co., New York.  
Messrs. Willetts and Co., New York.  
Messrs. Francis Skinner and Co., Boston.  
Messrs. George, T. and W. Plyman and Co., Boston.  
Messrs. Fale, Nash, French and Co., Boston.  
Messrs. Oakley and Hawkins, New Orleans.  
The Albion Cotton Manufacturing Company, Baltimore.  
Messrs. Dean, King and Co., St. Louis.  
Messrs. A. J. Maccrary and Co., St. Louis.  
Messrs. Collins, Kirby and Co., St. Louis.  
Messrs. Fowle, Snowden and Co., Alexandria.  
Messrs. E. F. Whittemore and Co., Toronto.  
The Bank of South Carolina, South Carolina.  
Messrs. Hadsworth and Co., Chicago.  
The Cayuga Steam Furnace Company, Cleveland.  
Messrs. Harkness and Stead, Providence.

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## Notes of the Month.

**NEW ACT ON THE LORD MAYOR'S COURT.**—The new Act on the Lord Mayor's Court, passed in the late session, has come into operation. It is entitled, "An Act for abolishing certain jurisdiction of the Sheriff's Court of the city of London, and for amending the process, practice, and mode of pleading in the Mayor's Court, and for extending the jurisdiction thereof." There are 55 clauses in the Act, working out the preamble of making the court "more efficient by extending its powers and simplifying its practice and mode of procedure." The new statute is to be called "The Mayor's Court of London Procedure Act." Special cases may be stated for the opinion of the superior courts, and if either party appearing on the trial of any cause in which the sum sought to be recovered exceeds £20, is dissatisfied with the determination or direction of the Mayor's Court in point of law or upon the admission or rejection of evidence, such party may appeal from the same to any one of the superior courts. Some of the provisions are analogous to the Common Law Procedures Acts. An interpleader is given, and a creditor obtaining a judgment in respect of a debt not exceeding £20 may summon the defendant before the Court, and if committed the party may be taken out of the jurisdiction of the Court. The debtors' prison in Whitecross-street is to be for the confinement of debtors.

**JOHN SADLEIR REDIVIVUS.**—The *Clonmel Chronicle*, of the 8th October, has the following:—"JOHN SADLEIR ALIVE.—The great *vexata questio*, 'is John Sadleir alive?' will, we think, be shortly decided in favour of those who feel convinced of his existence. By the following extract of a letter received by a gentleman resident in Tipperary, from a first cousin to the notorious ex-Treasury lord, it would appear that Vienna has now become his habitat. The turning up of the supposed suicide would be a fitting climax to this extraordinary career of public duplicity. 'The notorious John Sadleir is now living in Vienna; he was in America, but came over lately to the above-named city.'"

**A NOBLE PECULATOR.**—A letter from St. Petersburg says—"The military court has just condemned to dismissal and loss of the privileges of their rank for peculation, Baron Meastmacher, chief of the customs district of Odessa, and Colonel Potemkin, chief of the quarantine port of that place."

**FORGERIES AT LYONS.**—The *Courier de Lyons* contains the following:—"We have to announce the arrest of a rich landed proprietor, named Dupont, formerly a grocer in this city, for uttering forged notes. His name was some time ago before the public by a lawsuit, which he instituted against the company formed to build the Rue Imperiale here, from whom, in the end, he obtained an indemnity of 125,000*fr.* The bank notes forged are all for 500*fr.*, and the mode adopted by him for putting them into circulation was most curious, keepers of brothels being generally the victims. At length one of those persons, being more acute than the others from whom he had succeeded in obtaining change for his notes, detected the counterfeit, and gave information to the police, which led to his arrest. So well were the notes executed that one of them was received by a clerk at the Savings' Bank, but detected later in the day by another clerk. On being arrested by the police at his residence, a handsome house, his own property, in the Cité Napoléon, a number of other notes, besides those found on him, were discovered concealed in different places. On being examined by the commissary of police, he at first said that all the notes had been given him by a Pole, who died in the hospital at Lyons, in 1852; but the falsehood of this story being clearly proved by some of the notes bearing the date of 1854, he found that further denial of his guilt was useless, and he requested to be again taken to his house, where he pointed out a concealed place which was so made that its discovery would otherwise have been impossible, and where plates were found for manufacturing the notes, as well as a bundle of the notes amounting to 490,000*fr.*



The amount of notes which he has put into circulation is not exactly known. It appears that Dupont at first paid a workman 5*s.* a day for printing them, but the man afterwards demanded and received 50*s.* a week. The wife of Dupont had been arrested."

**NEW BRANCH BANKS.**—The Bank of Ireland is about to open a branch at Queenstown. The Ulster Banking Company is about to erect a splendid building for its purposes at Belfast.

**EXTRAORDINARY BANK-NOTE FRAUD AT GLASGOW.**—A remarkable case of fraud came to light on the 7th October, in the following manner:—A person owed an account of some £2 or £3 to a surgeon on the south side of the river, and called to pay it. The doctor being out his lady attended to the settling of the account, and was tendered what appeared to be a £50 note. Not having sufficient change in the house, she sent to the bank, when the note was at once detected to be a transmogrified genuine £20 note. The figures and words denoting the value of the note had been carefully cut out and fifty put in their place, so neatly as almost to defy detection. The police were of course at once sent for, and the man taken into custody, when, on being searched, the original figure (20) belonging to the note was found in his possession, along with other proofs of his malpractices regarding bank-notes.

**EXPORT OF SPECIE FROM AMERICA.**—The Custom House returns of New York show that the export of specie for the first seven months of the present year, amounted to 31,895,910 *dols.*, and in the corresponding period of last year it was 23,535,082 *dols.*, being an increase so far this year of 8,360,828 *dols.*

**HALF-HOLIDAY MOVEMENT.**—Subscriptions received from clerks, &c., for carrying out the half-holiday movement:—Messrs. Sapse and Co., £1 13*s.*; Messrs. Williams and Co., £5; Messrs. Prescott and Co., £3 11*s.*; Messrs. Glyn and Co., £6 15*s.*; City Bank, £1 5*s.* 6*d.*; Messrs. Bosanquet and Co., 13*s.*; Commercial Bank of London, £1 17*s.*; Messrs. Fuller and Co., 19*s.*; London and County, £4; Lubbock and Co., £2 5*s.* 6*d.*; Masterman and Co., £2 8*s.* 3*d.*

## MERCANTILE SUSPENSIONS.

THE suspensions of the month, English and Foreign, have been numerous and important, and the results will prove in most cases unfavourable. The extension of the accommodation system, coupled with the desire to expand business beyond due limits, has produced these disasters, while active speculation on the continent has occasioned the failures in Austria and Italy. The difficulties at Glasgow have involved an amount of nearly £1,000,000, the Western Bank of Scotland being a heavy debtor. Arrangements have been made in the case of Messrs. Ross, Mitchell & Co., to pay 20*s.* in the pound,

- Sept. 29, Messrs. Taylor and Bright, Hull, corn merchants.
- Oct. 3, Messrs. J. and J. Beard, Manchester, silk trade.
- 10, M. Nessim Solal, Marseilles, merchants.
- 12, Messrs. J. Montieith and Co., Glasgow, merchants.
- " Messrs. Macdonald and Co., London and Glasgow, merchants.
- " Messrs. Wallace and Co., Glasgow.
- " Mr. Hugh Fergusson, Manchester and Bradford, stuff merchant.
- 13, Messrs. Ross, Mitchell and Co., Canadian merchants.
- 14, Mr. S. F. Stephens, London, bill broker.
- " Messrs. Scarratt and Partington, Blackwell Hall, factors.



- Oct. 14, Messrs. Afflick and M'Kerron, Manchester, Scotch warehousemen.  
 " Mr. W. B. West, Manchester, haberdasher.  
 " Mr. John Little, Manchester, milliner.  
 " Mr. Edmund Whitehead, Middleton, silk manufacturer.  
 " Mr. Boekowitz, Pesth, commission merchant.  
 17, Messrs. Whan, M'Lean and Co., Glasgow, manufacturers.  
 19, Messrs. Auld and Buchanan, Glasgow, merchants and shippers.  
 " Messrs. Malanotti and Co., Vienna, merchants.  
 20, Messrs. Balabio and Co., Milan, bankers.

**BANKING OBITUARY.**

On the 1st October, at Croydon, Mr. Daniel Beck, many years secretary to the Croydon Savings Bank, aged 68.

On the 2nd October, at Bicester, aged 57, Mr. Henry Michael Tubb, banker.

**Monetary Intelligence.****REVIEW OF THE MONEY MARKET FOR THE MONTH OF OCTOBER, 1857.**

THE state of financial and mercantile affairs during the past month, has been considerably influenced by the advance in the Bank rate of discount from 5½ to 8 per cent. The American crisis, with its attendant consequences, including the suspension of banks and the failure of the principal firms, have produced great stringency in the money market, while the raising of large sums by the East India Company has assisted to increase the pressure. The value of money on the continent has further advanced, and the terms of the Bank of France are now 6½ per cent., which shows that the absorption of capital has been general. It is satisfactory, however, to notice, that notwithstanding failures of magnitude in the country, London has been comparatively free from embarrassment, and that there is great confidence felt in the ultimate adjustment of mercantile relations. Shipments of gold have been made to America to the extent of about £750,000, and it is thought that a further amount, equal, if it does not exceed that total, will be forwarded to meet balances and purchase produce and securities. To the east, by the mail of the 4th, silver to the extent of at least £1,000,000 will be despatched, and the sum may probably be greater, through the general character of the remittances. The continental rates of money vary from 6½ per cent. at Paris, to 8½ per cent. at Hamburg, the effects of the crisis in the United States having been largely experienced in that city. With the Bank of England rate at 8 per cent., and the joint-stock banks in a position to allow 7 per cent. for deposits, no great activity in business can be immediately expected.

In English securities this month, the range has been about 3½ per cent., but the actual fall has not exceeded 1½ per cent. It was to have been anticipated that a decline would take place in prices, but the extreme fluctuation, after all, has not been important, considering the vicissitudes through which we have passed. Exchequer bills have been heavy, at about 15s. to 10s. discount, but the great depreciation has occurred in India Bonds, which are



now quoted at 40 discount, and if any amount were negotiated, a further fall would take place.

Foreign stocks have not varied in any great degree, but the decline in the several descriptions has been from 1 to 3 per cent., with moderate transactions. Brazilian, Buenos Ayres, and Dutch, have receded 2 per cent., Russian, 2, and Mexican, 1 per cent.

Railway shares have, of course, been affected by the extraordinary position of business, sales of the various descriptions having been freely made; the fluctuation has been from 2 to 5 per cent. The late pressure has brought various descriptions to market, but quotations have, in a measure, recently recovered. No movement of consequence has occurred during the last few days, though prices now exhibit greater firmness.

Joint-stock bank shares are rather less buoyant, sales having been pressed, through the apprehension occasioned by the suspension of the Liverpool Borough Bank.

The produce markets have been rather depressed, owing to the high rate of money, and several of the principal articles affected by speculative purchases have diminished in value.

The following are the fluctuations in the English and Foreign Stocks, and Railway Shares, during the month just concluded:—

	Price on Sept. 29.	Highest.	Lowest.	Price on Oct. 28.
<b>ENGLISH FUNDS.</b>				
Consols ... ..	89½-90½	90½	86½	88½
Exchequer bills ... ..	10s. dis.	4s. dis.	20s. dis.	15/to 10/ dis.
<b>FOREIGN STOCKS.</b>				
Brazilian ... ..	101½	102½	98½	100
Buenos Ayres ... ..	81	82	79½	81½
Chilian ... ..	...	102½	102	102½
Dutch, 2½ per cent. ... ..	65½	65½	63½	63½
Mexican ... ..	21½	21½	18½	19
Peruvian, 4½ per cent. ... ..	78½	78½	75½	77½
Russian ... ..	109½	109½	105	107
Spanish ... ..	40½	41	40	40½
Turkish, 6 per cent. ... ..	95½	96	84½	87½
Ditto, 4 per cent. ... ..	99½	99½	96½	97½
<b>RAILWAY SHARES.</b>				
Brighton ... ..	103½	104	100	102½
Caledonian ... ..	84½	86	77	77½
Eastern Counties ... ..	56½	58½	51½	53½
Great Northern ... ..	97½	98½	92	94
Great Western ... ..	53½	55½	50½	51
Lancashire and Yorkshire... ..	96	97½	91½	92½
London and North Western ... ..	96	98½	93½	95½
Midland ... ..	80½	83½	78½	81½
North Staffordshire ... ..	13½	13½	12½	13½
South Eastern ... ..	65½	66½	61½	63
South Western ... ..	90½	91½	87½	88
York, Newcastle, and Berwick ... ..	91	93½	88½	91
York and North Midland ... ..	76½	80	75½	77½
East Indian... ..	97½	100½	96	100
Northern of France ... ..	34½	36½	33½	34½



## THE GRAIN TRADE.

A continuation of very favourable weather for agricultural operations, and the supply of grain, both home and foreign, at the various markets throughout the country, having been more than sufficient to meet the demands of purchasers, have had the effect of causing prices gradually to decline. The fall in wheat has been from 5*s.* to 6*s.* per quarter. Barley and oats have participated in the decline, though not to so great an extent.

The *Gazette* returns for England and Wales have been :—

Week ending 1857.	Wheat. Qrs. sold.	Weekly Average.	Six Weeks' Average.	Duty.		Corresponding Six Weeks' Last Year.
				<i>s.</i>	<i>d.</i>	
Sept. 26 .....	127,412 ...	57 6 ...	58 1 ...	1	0	68 6
Oct. 3 .....	125,891 ...	56 3 ...	57 6 ...	1	0	67 10
" 10 .....	124,296 ...	55 8 ...	56 8 ...	1	0	66 10
" 17 .....	122,132 ...	55 10 ...	56 4 ...	1	0	65 7

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grain. Qrs.	Total Qrs.
Sixty-one weeks ended 16th Sept. ...	4,439,882	4,401,921	8,841,803
Four weeks ended 14th October ...	258,326	314,426	572,752
	4,698,208	4,716,347	9,414,555

And the *weekly averages* have been :—

	Wheat.	Other Grain.	Total.
Sixty-one weeks ended 16th Sept. ...	72,000	72,000	144,000
Four weeks ended 14th October ...	65,000	78,000	143,000
	Less 7,000	more 6,000	less 1,000

## STATE OF TRADE.

Business in the manufacturing districts has been limited, the severe money pressure, with the crisis in America, creating great apprehension. Operations are consequently restricted, and the several failures which have lately taken place interfere with the ordinary progress of business.

## NOTICES TO CORRESPONDENTS.

Some letters and reviews stand over at the last moment, owing to the general pressure upon space. Correspondents will please remember that communications should be forwarded to the editor, addressed to No 8, Birchinn-lane; and to secure punctual insertion, they should reach him before the 22nd.

X. Z.—Yes, the question has not escaped attention.

REDFERN will notice that the alteration has been made. The error must, in some degree, be regarded as typographical.

VERAX.—Nothing certain has transpired, but it is believed that the event will take place.



*Bankers' Magazine Appendix.—November, 1857.*

[illegible]

**JOINT-STOCK BANKS.**

## FOREIGN STOCKS (27th October.)

# RAILWAY SHARES.

**The closing prices of the day are quoted.**



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follow:-

## ISSUE DEPARTMENT.

	1857. Sept. 5th.	1857. Sept. 12th.	1857. Sept. 19th.	1857. Sept. 26th.
Notes issued.....	£ 25,311,410	£ 25,067,300	£ 25,009,945	£ 25,156,300
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	3,450,000	3,450,000	3,450,000	3,450,000
Gold coin and bullion .....	10,836,410	10,592,300	10,534,900	10,681,200
Silver bullion .....	—	—	—	—
	25,311,410	25,067,300	25,009,945	25,156,300

## BANKING DEPARTMENT.

	1857. Sept. 5th.	1857. Sept. 12th.	1857. Sept. 19th.	1857. Sept. 26th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,993,251	3,993,251	3,914,650	3,924,124
Public deposits (including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts) ....	7,007,314	7,050,478	8,045,099	8,054,990
Other deposits .....	9,350,319	9,180,187	9,002,024	9,190,600
Seven day and other bills.....	771,333	783,454	802,670	789,114
	35,665,116	35,678,341	36,311,049	36,322,321
Government securities (including Dead Weight Annuities) ....	10,598,653	10,598,653	10,598,653	10,598,653
Other securities .....	18,351,090	18,604,052	18,902,051	19,710,700
Notes.....	6,004,570	6,194,375	6,108,730	6,814,100
Gold and silver coin .....	654,093	696,261	653,615	594,000
	35,665,116	35,678,341	36,311,049	36,322,321

## The Exchanges.

	Aug. 28th.	Sept. 4th.	Sept. 11th.	Sept. 18th.
Amsterdam, short ..	11 17 1	11 17	11 17	11 16 1
Ditto 3 months..	11 19 1	11 19 1	11 19 1	11 19 1
Rotterdam, ditto ..	11 19 1	11 19 1	11 19 1	11 19 1
Antwerp, ditto .....	25 40	25 40	25 40	25 3 0
Brussels, ditto .....	25 40	25 40	25 40	25 37 1
Hamburg, ditto.....	13 8	13 8 1	13 8 1	13 8
Paris, short .....	25 25	25 25	25 25	25 25
Paris, 3 months .....	25 62 1	25 62 1	25 62 1	25 62 1
Marseilles, ditto .....	25 65	25 65	25 65	25 66
Frankfort, ditto .....	110 1	110 1	110 1	110 1
Vienna, ditto.....	10 33	10 34	10 34	10 35
Trieste, ditto.....	10 33	10 34	10 34	10 36
Petersburgh, ditto ..	36 1	36 1	36 1	36 1
Madrid, ditto .....	49	49	49	49 1
Cadix, ditto .....	50	50	50	50
Leghorn, ditto .....	29 55	29 57 1	29 55	30 2 1
Genoa, ditto .....	25 75	25 75	25 75	25 75
Naples, ditto.....	43 1	43 1	43 1	43 1
Palermo, ditto .....	120	120	127 1	127 1
Messina, ditto .....	128 1	128 1	128	128
Lisbon, ditto .....	53 1	53 1	53 1	53 1
Oporto, ditto .....	53	53	53	53 1
Rio Janeiro 60 days' dite	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars ..	£ 3 17 9	£ 3 17 9	£ 3 17 9	£ 3 17 9
(Standard) .....	0 5 1 1	0 0 0	0 5 1 1	0 5 1 1
Mexican Dollars .....	0 5 1 1	0 0 0	0 5 1 1	0 5 1 1
Silver in Bars (Stand.)..	0 5 1 1	0 0 0	0 5 1 1	0 5 1 1



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTE.

## PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Sept. 5.	Sept. 12.	Sept. 19.	Sept. 26.
1 Andover Bank .....	£ 17,751	£ 11,625	£ 11,352	£ 10,301	£ 10,530
2 Ashford Bank .....	11,849	11,177	10,641	11,925	11,494
3 Aylesbury Old Bank .....	48,461	29,210	29,922	30,046	28,750
4 Baldock and Biggleswade Bank ...	37,223	27,541	29,124	29,079	29,566
5 Barnstaple Bank .....	17,182	9,761	9,867	10,202	10,654
6 Basingstoke and Odiham Bank ...	24,730	23,073	23,258	23,301	24,326
7 Bedford Bank .....	34,218	34,466	35,103	33,774	31,838
8 Bewdley Bank .....	18,597	11,338	11,268	11,154	10,776
9 Bicester and Oxfordshire Bank ...	27,090	14,791	15,261	15,345	14,841
10 Birmingham Bank—Attwoods & Co.	23,695	24,236	23,520	23,494	23,430
11 Birmingham and Warwickshire Bk.	18,132	8,357	8,011	8,174	7,772
12 Blandford Bank .....	9,723	6,187	6,551	6,440	6,413
13 Boston Bank—Garfit and Co. ....	75,069	69,895	72,358	74,721	79,708
14 Boston Bank—Gee and Co. ....	15,161	15,127	14,858	14,400	14,965
15 Bridgewater Bank .....	10,028	6,838	6,542	6,264	6,678
16 Bristol Bank .....	48,277	29,040	32,086	31,578	31,873
17 Broseley and Bridgenorth Bank ...	26,717	16,427	16,558	16,414	17,727
18 Buckingham Bank .....	29,557	22,290	23,045	22,879	25,248
19 Bury and Suffolk Bank .....	82,362	64,214	67,353	67,792	69,048
20 Banbury Bank .....	43,457	32,745	33,252	35,619	37,406
21 Banbury Old Bank .....	55,153	26,427	27,117	29,646	30,437
22 Bedfordshire Leighton Buzzard Bk.	36,829	36,155	36,427	36,753	36,842
23 Birmingham Bk.—Lloyds & Co. ...	38,816	27,990	29,885	29,712	28,589
24 Bradford Old Bank .....	12,676	13,166	13,102	12,348	11,439
25 Brecon Old Bank .....	68,271	56,501	54,862	54,445	57,459
26 Brighton Union Bank .....	33,794	16,315	16,137	15,801	15,480
27 Burlington and Driffield Bank .....	12,745	12,078	12,102	12,522	12,643
28 Bury St. Edmund's Bank .....	3,201	3,185	2,975	3,268	3,202
29 Cambridge Bk.—Mortlock & Co.	25,744	12,001	11,818	11,198	11,648
30 Cambridge and Cambridgeshire Bk.	49,916	49,835	48,031	49,950	49,549
31 Canterbury Bank .....	33,671	28,862	29,455	30,060	29,936
32 Carmarthen Bank .....	23,597	19,696	19,415	20,564	22,147
33 Chertsey Bank .....	3,436	2,400	2,463	2,521	2,594
34 Colchester Bank .....	25,082	16,838	17,151	17,476	18,207
35 Colchester and Essex Bank .....	48,704	36,473	35,350	36,135	36,819
36 Cornish Bank—Tweedy & Co. ...	49,869	45,207	45,492	47,035	48,490
37 Coventry Bank .....	12,045	6,485	6,691	6,641	6,634
38 City Bank, Exeter .....	21,527	20,058	19,424	19,451	18,818
39 Craven Bank—Alcocks & Co. ...	77,154	73,320	73,790	74,790	75,585
40 Chepstow Old Bank .....	9,387	8,516	8,610	8,359	8,476
41 Derby Bank—Messrs. Evans .....	13,332	10,388	10,255	9,896	10,172
42 Derby Bank—Smith and Co. ....	41,304	35,695	34,795	35,732	37,725
43 Derby Old Bank .....	27,237	25,521	26,070	26,449	26,112
44 Devizes and Wiltshire Bank .....	20,674	8,232	8,365	8,364	8,552
45 Dias Bank .....	10,657	10,348	10,064	19,062	10,154
46 Doncaster Bank and Retford Bank	77,400	66,096	66,679	67,204	68,466
47 Darlington Bank ..	86,218	81,192	81,205	84,699	89,050
48 Devonport Bank .....	10,664	8,999	8,956	9,029	9,574
49 Dorchester Old Bank .....	48,807	46,033	46,315	47,065	46,712
50 East Cornwall Bk.—Robins & Co.	112,280	92,139	92,341	92,536	95,398
51 East Riding Bank—Bower & Co.	53,392	53,393	54,343	52,878	52,166
52 Essex Bk. & Bishops Stortford Bk.	69,637	45,181	44,960	44,758	43,870
53 Exeter Bank .....	37,894	24,199	24,513	25,110	26,076
54 Faringdon Bk. & Bk. of Wantage	8,977	7,128	7,125	6,575	6,937
55 Farnham Bank .....	14,202	10,082	9,693	10,146	10,515
56 Faversham Bank .....	6,681	6,075	6,365	6,624	6,075
57 Godalming Bank .....	6,322	4,957	5,038	4,897	4,947



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Sept. 5.	Sept. 12.	Sept. 19.	Sept. 26.
	£	£	£	£	£
58 Guildford Bank .....	14,524	12,801	12,316	12,609	12,321
59 Grantham Bank—Hardy and Co.	30,372	23,807	23,703	24,652	25,515
60 Hereford City and County Bank..	22,364	17,846	17,780	18,475	19,035
61 Hull & Kingston-upon-Hull Bank	19,979	21,095	22,490	19,342	16,944
62 Huntingdon Town & County Bank	56,591	54,467	56,772	53,596	53,113
63 Harwich Bank .....	5,778	5,018	4,703	4,620	4,495
64 Hertfordshire, Hitchin Bank .....	38,764	28,225	29,499	29,323	30,893
65 Hereford, Ross, & Archenfield Bk.	27,625	25,305	25,777	25,670	26,410
66 Ipswich Bank .....	21,901	19,110	19,742	19,935	20,988
67 Ipswich & Needham Market Bank	80,699	59,696	60,744	62,238	66,113
68 Kentish Bank—Mercer & Co. ...	19,895	8,770	8,760	8,946	9,675
69 Kington and Radnorshire Bank...	26,050	25,961	25,900	25,911	25,937
70 Knaresborough Old Bank .....	21,825	20,042	20,242	20,682	20,801
71 Kendal Bank .....	44,663	44,872	45,772	44,987	42,930
72 Longton Staffordshire Bank .....	5,624	5,186	5,306	5,313	5,274
73 Leeds Bank .....	53,357	54,480	57,120	53,639	48,105
74 Leeds Union Bank .....	37,459	37,342	36,369	37,857	37,785
75 Leicester Bank .....	32,322	23,515	24,845	25,332	25,292
76 Lewes Old Bank .....	44,836	16,675	16,991	17,062	18,105
77 Lincoln Bank .....	100,342	80,557	81,536	83,860	86,300
78 Llandoverly Bank & Llandilo Bank	32,945	21,979	22,158	27,724	32,073
79 Loughborough Bank .....	7,359	7,006	7,090	7,250	7,869
80 Lymington Bank .....	5,038	4,349	4,148	4,003	3,977
81 Lynn Regis and Lincolnshire Bank	42,817	35,497	36,014	36,719	38,755
82 Lynn Regis and Norfolk Bank ...	13,917	12,032	12,303	12,703	13,340
83 Macclesfield Bank .....	15,760	15,031	15,012	15,103	15,221
84 Manningtree Bank .....	7,692	1,914	1,874	1,715	1,460
85 Merionethshire Bank .....	10,906	6,738	7,035	7,586	10,958
86 Miners' Bank .....	18,688	18,881	18,436	18,330	18,822
87 Monmouthshire Agricultural and Commercial Bank .....	29,335	29,173	31,679	29,470	26,330
88 Monmouth Old Bank .....	16,385	15,385	16,060	16,545	16,868
89 Newark Bank .....	28,788	16,474	16,830	17,690	19,313
90 Newark and Sleaford Bank .....	51,615	41,993	42,905	46,571	47,282
91 Newbury Bank .....	36,787	18,345	18,743	18,953	19,647
92 Newmarket Bank .....	23,098	17,643	17,486	17,807	18,124
93 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	49,097	49,084	50,897	48,255
94 Norwich and Norfolk Bank .....	105,519	97,324	98,949	99,563	102,182
95 Nottingham, Nottinghamshire ...	10,866	8,847	8,704	8,783	9,425
96 Nuneaton Bank .....	5,898	2,275	2,420	2,529	2,620
97 Naval Bank, Plymouth .....	27,321	20,941	20,316	20,009	20,042
98 New Sarum Bank.—Everett and Pinckneys .....	15,659	9,279	9,100	9,050	9,034
99 Nottingham Bank .....	31,047	31,505	30,293	30,815	29,986
100 Oswestry Bank .....	18,471	10,144	10,541	10,932	12,397
101 Oxford Old Bank .....	34,391	28,210	26,590	26,476	25,806
102 Old Bank, Tonbridge .....	13,183	5,992	5,993	5,843	5,827
103 Oxfordshire Witney Bank .....	11,852	9,920	10,106	10,910	11,320
104 Pease's Old Bank, Hull .....	48,807	46,435	46,691	46,692	47,365
105 Penzance Bank .....	11,405	10,434	10,695	10,316	10,293
106 Peterborough Bank—Yorke & Co.	12,545	9,937	10,084	10,933	11,804
107 Pembrokeshire Bank .....	12,910	11,591	11,852	11,874	13,845
108 Reading Bank—Simmonds & Co.	37,519	29,330	29,379	28,340	29,324
109 Reading Bk.—Stephens & Blandy	43,271	28,609	18,125	23,435	28,775
110 Richmond Bank, Richmond .....	6,889	5,987	6,250	6,233	6,148
111 Rochdale Bank .....	5,590	3,823	4,135	4,160	4,303
112 Rochester, Chatham, & Strood Bk.	10,480	7,900	7,813	8,117	7,893
113 Royston Bank .....	16,393	12,309	12,536	12,696	13,477
114 Rugby Bank .....	17,250	9,288	9,522	9,600	9,435
115 Rye Bank .....	29,864	10,497	10,419	10,378	11,087



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Sept. 5.	Sept. 12.	Sept. 19.	Sept. 26.
	£	£	£	£	£
116 Ross Old Bank, Herefordshire ...	4,420	4,360	3,996	4,440	4,431
117 Saffron Walden & North Essex Bk.	47,646	24,247	24,150	24,216	26,378
118 Salop Bank .....	22,338	14,615	14,732	15,148	15,017
119 Scarborough Old Bank .....	24,813	21,156	21,253	22,261	22,988
120 Shrewsbury Old Bank.....	43,191	35,279	36,781	36,884	38,223
121 Sittingbourne and Milton Bank...	4,789	2,721	2,731	2,697	2,846
122 Southampton Town & County Bk.	18,589	11,840	10,934	10,535	9,925
123 Southwell Bank .....	14,744	20,474	10,844	11,034	11,186
124 Southampton and Hampshire Bk.	6,770	2,590	2,630	2,618	2,637
125 Stone Bank .....	9,154	325	325	325	325
126 Stafford Old Bank .....	14,166	11,775	11,582	12,178	12,164
127 Stamford and Rutland Bank .....	31,858	24,969	25,923	27,230	27,905
128 Shrewsbury and Welsh Pool Bank	25,336	19,984	21,202	24,186	24,000
129 Taunton Bank .....	29,799	25,726	26,345	26,747	27,815
130 Tavistock Bank .....	13,421	8,612	10,397	9,920	9,659
131 Thornbury Bank .....	10,026	9,045	8,786	8,855	9,034
132 Tiverton and Devonshire Bank ...	13,470	10,440	10,460	11,475	11,465
133 Thrapstone and Kettering Bank..	11,559	11,285	11,455	11,530	11,358
134 Tring Bank and Chesham Bank..	13,531	12,580	12,954	13,006	13,956
135 Towcester Old Bank .....	10,801	6,719	6,872	7,030	7,652
136 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	8,751	8,782	9,022	9,376
137 Union Bank, Cornwall .....	17,003	16,028	16,104	14,911	15,719
138 Uxbridge Old Bank .....	25,136	11,680	11,587	11,823	12,404
139 Wallingford Bank .....	17,064	7,168	6,972	6,935	6,807
140 Warwick and Warwickshire Bank	30,504	21,486	21,773	22,993	22,265
141 Wellington Bank, Somerset .....	6,528	5,569	5,992	6,198	5,940
142 West Riding Bank .....	46,158	43,863	44,169	46,326	46,550
143 Whitby Old Bank .....	14,258	13,379	13,439	13,445	13,384
144 Winchester, Alresford & Alton Bk.	25,892	17,980	18,128	18,165	18,055
145 Weymouth Old Bank .....	16,461	15,889	15,593	15,040	15,026
146 Wirksworth and Derbyshire Bk.	37,602	32,533	32,995	33,189	34,047
147 Wisbeach and Lincolnshire Bank	59,713	52,214	55,440	58,576	61,050
148 Wiveliscombe Bank.....	7,602	7,240	7,391	7,479	7,241
149 Wolverhampton Bk.—Goodricke	14,180	10,744	10,346	9,409	8,781
150 Worcester Bank .....	15,463	4,749	4,797	4,705	4,125
151 Worcester Old Bank .....	87,448	60,388	60,856	60,391	63,447
152 Wolverham. Bk.—R. & W. Fryer	11,867	11,364	11,035	10,705	11,333
153 Yarmouth and Suffolk Bank .....	53,060	42,911	41,914	41,837	43,964
154 Yarmouth, Norfolk, & Suffolk Bk.	13,229	11,263	11,298	11,785	11,761
155 York Bank .....	46,387	39,145	38,605	39,369	39,079

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	8,813	8,724	8,749	8,850
2 Barnsley Banking Company .....	9,563	8,123	8,439	8,970	9,243
3 Bradford Banking Company .....	49,292	47,515	47,602	48,170	47,567
4 Bilston District Banking Company	9,418	8,551	9,462	9,430	9,600
5 Bank of Whitehaven.....	32,681	26,539	26,673	26,090	26,381
6 Bradford Commercial Banking Co.	20,084	19,736	19,984	19,952	19,395
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	43,265	43,900	44,919	46,158



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Sept. 6.	Sept. 12.	Sept. 19.	Sept. 26.
	£	£	£	£	£
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	10,341	10,238	10,050	10,513
9 Cumberland Union Banking Co. ...	35,395	34,063	33,576	34,221	35,695
10 Coventry and Warwickshire Bk. Co.	28,734	24,880	25,220	25,801	26,587
11 Coventry Union Banking Company	16,251	14,583	14,566	14,231	14,760
12 County of Gloucester Banking Co.	144,352	105,346	107,906	108,377	108,554
13 Carlisle & Cumberland Banking Co.	25,610	25,827	25,379	24,465	26,586
14 Carlisle City and District Bank ...	19,972	20,003	20,412	19,740	19,332
15 Dudley & West Bromwich Bk. Co.	37,646	37,903	38,467	38,872	35,364
16 Derby and Derbyshire Banking Co.	20,093	19,820	19,501	20,113	19,519
17 Darlington Dist. Joint Stock Bk. Co.	26,134	25,390	24,850	25,633	26,360
18 East of England Bank .....	25,025	24,555	24,674	24,950	25,381
19 Gloucestershire Banking Company	155,920	143,805	145,945	149,982	155,694
20 Halifax Joint Stock Bank.....	18,534	17,857	18,650	19,222	18,050
21 Huddersfield Banking Company...	37,354	34,848	38,762	37,374	35,525
22 Hull Banking Company .....	29,333	22,188	23,070	22,949	23,723
23 Halifax Commercial Banking Co.	13,733	12,955	13,372	13,843	14,089
24 Halifax & Huddersfield Union Bk.	44,137	41,623	45,065	46,470	42,252
25 Helston Banking Company .....	1,503	1,502	1,514	1,485	1,368
26 Herefordshire Banking Company...	25,047	20,903	23,097	24,930	27,026
27 Knaresborough and Claro Bk. Co.	28,059	24,190	24,691	26,255	26,390
28 Kingsbridge Joint Stock Bank ....	3,952	2,434	2,372	2,720	2,576
29 Lancaster Banking Company .....	64,311	49,808	50,733	50,873	52,033
30 Leeds Banking Company .....	23,076	21,155	21,246	25,648	23,380
31 Leicestershire Banking Company...	86,060	58,899	60,726	62,355	66,240
32 Lincoln and Lindsey Banking Co.	51,620	48,752	51,474	53,867	51,715
33 Leamington Priors and Warwick- shire Bank .....	13,875	8,811	9,225	9,228	8,649
34 Ludlow and Tenbury Bank .....	10,215	10,476	10,095	10,025	10,043
35 Moore & Robinson's Notts. Bank...	35,813	35,289	32,420	31,058	33,528
36 Nottingham and Notts. Banking Co.	29,477	26,037	25,574	25,477	28,110
37 National Provincial Bk. of England	442,371	421,494	430,673	440,932	436,127
38 North Wilts Banking Company ...	63,939	42,971	40,587	41,343	42,582
39 Northamptonshire Union Bank ...	84,356	80,007	82,135	83,623	87,510
40 Northamptonshire Banking Co. ...	26,401	20,060	20,260	19,831	20,289
41 North and South Wales Bank.....	63,951	55,749	59,854	66,491	66,565
42 Pare's Leicestershire Banking Co...	59,300	45,805	44,147	46,077	47,010
43 Saddleworth Banking Company ...	8,122	2,037	1,964	2,324	2,405
44 Sheffield Banking Company.....	35,843	34,893	36,335	36,440	34,886
45 Stamford, Spalding & Boston Bk. Co.	55,721	50,425	57,362	60,160	52,630
46 Stuckey's Banking Company .....	356,976	329,410	338,408	349,848	360,900
47 Shropshire Banking Company.....	47,951	45,182	47,792	46,727	49,954
48 Stourbridge and Kidderminster Bk.	56,830	56,654	56,493	56,413	56,328
49 Sheffield and Hallamshire Bank ...	23,524	22,536	22,450	22,595	24,345
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,332	53,586	52,150	51,266
51 Swaledale and Wensleydale Bank...	54,372	46,416	47,313	50,331	53,055
52 Wolverhampton & Staffordsh. Bk.	35,378	34,363	35,998	37,844	33,161
53 Wakefield and Barnsley Union Bk.	14,604	13,246	13,337	14,055	14,261
54 Whitehaven Joint Stock Bank ...	31,916	26,605	26,234	25,287	25,230
55 Warwick and Leamington Bk. Co.	37,124	25,782	27,007	27,480	28,162
56 West of England and South Wales District Bank.....	83,535	67,483	71,117	72,598	74,686
57 Wilts & Dorset Banking Company	76,162	72,555	75,316	76,345	74,819
58 West Riding Union Banking Co....	34,029	31,382	32,857	33,025	32,161
59 Whitchurch and Ellesmere Bk. Co.	7,475	4,678	5,011	5,910	6,177
50 Worcester City and County Bk. Co.	6,848	6,145	5,914	5,941	6,568
61 York Union Banking Company ...	71,240	68,493	69,311	70,974	71,657
62 York City and County Banking Co.	94,695	83,501	83,740	87,070	89,875
63 Yorkshire Banking Company .....	122,532	118,077	124,554	123,729	118,547



## SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE.

	Fixed Issues.	Sept. 8.	Sept. 12.	Sept. 19.	Sept. 26.
155 Private Banks.....	£4,457,407	£3,525,524	£3,563,115	£3,604,019	£3,668,729
63 Joint-Stock Banks..	3,302,357	2,944,966	3,017,649	3,081,937	2,097,372
218 Totals .....	7,759,764	6,470,490	6,580,764	6,685,956	6,766,101

*Average Weekly Circulation of these Banks for the month ending September 26th:—*

Private Banks .....	£5,590,947
Joint-Stock Banks .....	2,028,481

*Average Weekly Circulation of Private and Joint-Stock Banks ending as above. £7,619,428*

On a comparison of the above with the Returns for the month ending 29th August last, it shows:—

An increase in the notes of Private Banks, of .....	£124,038
An increase in the notes of Joint-Stock Banks, of .....	134,706
Total increase on the month .....	£258,741

And, as compared with the month ending September 27th, 1856, it shows:—

A decrease in the notes of Private Banks, of .....	£79,320
A decrease in the notes of Joint-Stock Banks, of .....	12,470
Total decrease, as compared with the same period of last year .....	£91,790

The following is the comparative state of the circulation, as regards the fixed issues:—

The Private Banks are below their fixed issues .....	£967,060
The Joint-Stock Banks are below their fixed issues .....	266,876
Total below the fixed issues .....	£1,233,936

## Irish and Scotch Circulation Returns.

*Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the four weeks ending Saturday, the 26th day of September, 1857.*

### IRISH BANKS.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amt. of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland .....	3,738,428	1,932,275	1,227,950	3,160,225	781,190
Provincial Bank of Ireland .....	927,667	413,455	577,704	991,159	330,663
Belfast Bank .....	281,611	89,862	334,509	424,371	284,426
Northern Bank .....	243,440	46,299	227,141	273,438	151,003
Ulster Bank .....	311,079	69,640	347,887	417,527	160,520
National Bank of Ireland...	852,269	633,823	596,250	1,230,074	562,650
TOTALS (Irish Banks) ...	6,354,494	3,185,352	3,311,441	6,496,794	2,270,452

### SCOTCH BANKS.

Bank of Scotland .....	300,485	119,472	258,932	378,404	125,187
Royal Bank of Scotland ...	183,000	84,902	156,265	241,167	106,642
British Linen Company .....	438,024	154,763	292,122	446,886	141,132
Commercial Bk. of Scotland .....	374,880	144,298	316,824	461,123	144,873
National Bank of Scotland..	297,024	103,382	214,687	318,069	80,462
Union Bank of Scotland and Banking Com. in Aberdeen .....	454,346	181,344	372,814	554,158	160,438
Edinburgh & Glasgow Bk...	136,657	62,945	89,651	152,596	42,832
Aberdeen Town and Co. Bk.	70,133	47,776	87,810	135,586	69,817
North of Scotland Bk. Co...	154,319	77,453	104,331	181,784	51,474
Dundee Banking Company .....	33,451	14,867	27,617	42,485	12,082
Eastern Bank of Scotland...	33,636	16,739	26,696	43,435	15,374
Western Bank of Scotland..	337,938	143,070	327,139	470,209	197,115
Clydesdale Banking Co. ...	104,028	53,042	107,965	155,007	61,194
City of Glasgow Bank .....	72,921	131,818	211,439	343,257	303,153
Caledonian Banking Co. ...	53,434	26,353	49,943	76,297	32,699
Central Bank of Scotland...	42,933	15,291	35,485	50,776	29,067
TOTALS (Scotch Banks)...	3,087,209	1,377,515	2,673,720	4,051,239	1,573,546



# CIRCULATION RETURNS.

## SUMMARY OF IRISH & SCOTCH RETURNS TO SEPTEMBER 26, 1857.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 26th September, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks... £26,496,794  
Average Circulation of the Scotch Banks 4,051,239

Total Average Circulation of these Banks for the past month ..... £30,548,033

On comparing these amounts with the Returns for the month ending 29th August last, they show—

Increase in the Circulation of Irish Banks £271,964  
Increase in the Circulation of Scotch Banks 118,243

Total increase on the month ..... £390,206

And, as compared with the month ending September 27th, 1856, they show—

Increase in the Circulation of Irish Banks £210,063  
Increase in the Circulation of Scotch Banks 48,573

Total increase on the year..... £258,636

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Banking Almanac*, as follows :—

6 Banks in Ireland, allowed to issue... £26,354,494  
16 Banks in Scotland, allowed to issue .. 3,087,309

22 Banks in all, allowed to issue..... £29,441,793

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are above their fixed issue .. £142,200  
Scotch Banks are above their fixed issue 964,639

Total above the fixed issue ..... £1,106,839

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows :—

Gold and Silver held by the Irish Banks £23,570,433  
Gold and Silver held by the Scotch Banks 1,573,446

Total of Gold and Silver Coin ..... £25,143,879

Being an increase of £25,087 on the part of the Irish Banks, and a decrease of £2,465 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

## CIRCULATION OF THE UNITED KINGDOM TO SEPTEMBER 26, 1857.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 26th September, 1857 :—

Circulation of Notes for the Month ending 26th September, as compared with the previous month :—

	Aug. 29.	Sept. 26.	Increase.	Decrease.
Bank of England .....	£19,358,311	£19,646,750	—	£287,439
Private Banks .....	2,466,313	3,596,347	£1,129,033	—
Joint-Stock Banks .....	2,900,775	3,038,481	137,706	—
Total in England .....	25,725,398	26,666,678	1,129,711	£287,439
Scotland.....	3,933,997	4,051,239	117,242	—
Ireland.....	6,234,810	6,496,794	261,984	—
United Kingdom.....	£35,893,205	£37,214,611	£1,321,406	£287,439

The comparison of the month ending September 27th, 1856, with the month ending September 26th, 1857, shows a decrease in the Bank of England circulation of £287,439, a decrease in Private Banks of £79,320, and a decrease in Joint-Stock Banks of £12,470; being a total decrease in England of £987,342; while in Scotland there is an increase of £48,573; and in Ireland an increase of £110,083. Thus showing that the month ending 26th September, as compared with the same period last year, presents a decrease of £987,342 in England, and a decrease of £888,686 in the United Kingdom.

The return of Bullion in the Bank of England, for the month ending September 26th, gives an aggregate amount in both departments of £11,293,605. On a comparison of this with the Return for the month ending August 29th, there appears to be a decrease of £24,989; and a decrease of £761,908 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 26th September, was £3,843,998; being an increase of £22,572 as compared with the return of the previous month, and an increase of £122,901 as compared with the corresponding period last year.



# THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

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DECEMBER, 1857.

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## THE LATE MONETARY DISTURBANCE.

THE events of the last few weeks have produced such a momentous effect upon mercantile credit in this country, that the public have been greatly alarmed for the consequences which are likely to arise from the recent general revulsion. Prepared as most persons were for some disasters, after the experience of a crisis in America, they nevertheless scarcely anticipated such a wholesale wreck of commercial firms as has been witnessed during the period since the rate of discount was elevated to 10 per cent. Intimate as our relations have been with the United States, and deeply interested as we must be in the prosperity of that country, it cannot but be admitted that a vast amount of the mischief is attributable to over-speculation, particularly as the result of the statements received shows that the creditors will have to be satisfied with small distributions.

The unexampled severity of the pressure, together with the sacrifices which must have been maintained to withstand a final collapse, indicates the strength of some of our mercantile firms; but after suspensions such as those which have occurred in London and Liverpool, it is impossible not to look with apprehension upon the general progress of affairs. From what is daily transpiring, it is feared that the crisis of 1857, for so it may in reality be termed, has not reached its culminating point, because, although it is scarcely believed that the Bank will have occasion to carry the rate of discount beyond the present limit, many persons seem to look for additional mercantile disasters.

The state of trading also exhibited is of the most unsatisfactory description. The suspension of the Liverpool Borough Bank, the Western Bank of Scotland, the City of Glasgow Bank, the Wolverhampton and Staffordshire Bank, and the



Northumberland and Durham District Bank, have been attended, but fortunately not in all cases, with revelations which show that the present tendency is not to encourage legitimate operations, but, on the contrary, to advance and encourage irregular business.

‘ Much of the distress and inconvenience now being witnessed would have been avoided, if establishments like those of Messrs. Macdonald & Co., Messrs. Monteith & Co., whose business concerns have been supported by the wholesale manufacture of accommodation paper (to accept which, with the view of getting it into circulation, it has been the practice to charge a commission varying from  $\frac{1}{2}$  to 1 per cent.) had not been suffered to continue their career. The disclosures presenting salient features of this character, and manifesting in other respects the facilities obtainable for raising supplies, picture in unfavourable colours the manner adopted to secure support, even at the risk of all honour and reputation.

At a period like the present, it is not, therefore, surprising to find that houses of moderate means are compelled to succumb, the danger and distrust occasioned by the unsatisfactory statements presented to creditors inducing the withdrawal of confidence. From the panic existing since the abrogation of the Bank Charter Act, an event that was consummated after most anxious deliberation, the concession does not seem to have produced the full effect anticipated; but it has nevertheless afforded some relief by establishing for a second time the principle of government interference should it be considered necessary. The convocation of Parliament for the consideration of this important topic, will elicit the views of a variety of sections; and although there is little expectation that the Charter will be abandoned, some modifications may be introduced which will assist to mitigate pressure, and reinvigorate confidence whenever unnecessary alarm ensues. The inconvenience arising from the existing state of things is fully established by the circumstance of the failure of houses like those of Messrs. Dennistoun & Co., Messrs. Sanderson & Co., and the perhaps more extreme case of the application of a large American firm to the bank for assistance, notwithstanding the property of the senior partner was sufficient to provide ample security. That such assistance was rendered is a matter of congratulation, for had it not been, much more serious disasters would have occurred than those which have been experienced. The banking community may, after all, accept an assurance that the public as well as themselves have been greatly disconcerted by the late financial movement; and although it is to be hoped that the worst for the present has



passed, we may nevertheless expect further failures through the exhaustion of crippled resources, and the influence of the revulsion as it passes over the Continent of Europe, where already an important effect has been produced by the high value of money.

For the information of our readers, and for the purposes of record, we here present the views of our leading daily cotemporaries on the measure of the Government for suspending the Bank Charter Act, as announced by letter from the Treasury on the 12th of November :—

(From *The Times*.)

At a late hour yesterday afternoon the commercial public received the news that the Bank Charter Act had been suspended. The Bank is thus allowed by Government to issue an excess of notes not defined in value, and a promise is given that a Bill of Indemnity will be introduced in the next session of Parliament to free the Bank from the consequences of its conduct, should it be necessary to take advantage of the permission of Government. On the merits of this step we will say but little. It may be consistent with the maxims of political economy to regulate the issue of notes during ordinary times, and thus to check rash speculation and the embarkation in business of men destitute of capital, while when an actual dearth of money prevails the chief banking institution of the country may be allowed to extend its issue of notes under a public guarantee. But if such is to be the principle of our monetary system, the sooner it is embodied into a law the better. If the Bank is to exceed its legal issue of notes as often as its rate of discount is necessarily raised above a certain point, then an act of Parliament should establish the practice on sound and intelligible principles. The commercial interests of the country should not be subjected to a system by which a law is obeyed as long as obedience is easy, and temporarily swept away as often as pressure or panic supervenes. The houses which in 1847 and 1857 have stopped payment before the relaxation of the law may well complain that, while they have been crushed by the operation of the Bank Charter Act, others not more solvent or of higher standing than themselves have been saved by the suspension of it. Whether the Bank avails itself of the privilege accorded to it or not, the invasion of the law is the same, and those who, trusting to its inviolability, prudently suspended their payments, now find themselves placed at a disadvantage in respect to those whom boldness or good fortune encouraged to hold on a day or two longer. We can well imagine that only the representation that great commercial calamities were about to take place has determined the Government to act so bold a part. How much they feel the importance of the step is proved by what we have now to announce—that it has been resolved to call Parliament together at once, in order to settle the questions raised by the present crisis, and to register for ministers and the Bank directors that indemnity for which



they are obliged to appeal. A council will, we understand, be held next Monday, at which, probably, Parliament will be summoned to meet at the end of fourteen days. We may certainly prepare ourselves for a violent attack on the English monetary system, as established by the "Bank Act of 1844." All the theorists of all the schools of currency will be ready to pounce on what seems the carcase of a dead law. And, indeed, they will have much that is plausible and not a little that is true on their side. The law is a fair weather law, a law for times of steady trading and easy credit; its provisions are like the pasteboard defences of the Chinese—strong to look at, painted with heavy masses of stone, and guns of enormous power, but, in reality, a weakness and a sham. Such will be the reasoning of the partisans of inconvertible paper or uncontrolled banks. The defenders of the existing system will, on the other hand, have to face the fact that the act has been twice suspended in two successive panics. What better proof, it would seem, that the law does not provide for that very condition of things in expectation of which it was framed? At this moment, when the pressure seems about to cease, when the Indian mutiny is broken, and the American disasters drawing to a close, we have the act which has been so often debated, so skilfully defended, so unhesitatingly supported by commercial men of all parties, which committees have declared perfect, and the House of Commons sanctioned again and again, now for the second time set aside by the Government at the earnest application of the business community. Yet, as to the retention of the present law, we have not the slightest doubt. Its thorough supporters say that it is perfect for all times and all circumstances, and that its present suspension is a weakness on the part of Government, generated by an insane panic on the part of the people. But even those who admit that a time may come when the bank should be allowed to extend its issue, many still uphold the Bank Charter Act as the general law of the land. They may fairly argue that the suspension allowed by the Government yesterday was to save the country from returning to a state of barter. Gold is the measure of values, and as long as it bears a sufficient relation to the transactions of the country, men may be required to make their payments in it, or in notes immediately convertible. But if from any sudden convulsion the metal falls short, is drawn away, and exhausted at any spot, it cannot be expected that all the business at that spot is at once to cease. There remains money's worth—land and houses, cotton and sugar, wines and tobacco: all that is wanted, is to be able to express these in the currency which is the general standard of value. Gold has vanished, but the country has the material wealth which will bring it back again. All is a question of a few months, perhaps of a few weeks. It may in such a case be allowed to the Government to come to the rescue of the nation, by allowing a corporation which has a *quasi* national character, and is ruled by nationally imposed laws, to create fictitious standards of value, in the shape of bank notes which have no metallic representatives. Such a proceeding, however, must be understood to be an extraordinary



proceeding, in which the community, for its own good, allows a certain establishment to exceed the limits of safe and legitimate dealing. In fact the country must be considered as becoming security for the redemption of the extended issue, or, in other words, as itself issuing a quantity of paper money by its agent, the bank, in order that the business of the country may be conducted during the temporary abstraction of the usual currency. It is, therefore, no proof of the failure of the Bank Act that at certain times its restrictions should be suspended. In fact, this extension of issue should be considered as something super-added to the ordinary conditions of the Bank's existence. The act of 1844 was passed to control the Bank, not to control the nation. Parliament decided, and we think wisely, that it would not in ordinary times trust one great corporation with the power of issuing an unlimited number of notes. This proceeding is strictly in accordance with the regulations which control the issue of country banks, and which restrain London banks from having any issue at all. Whether the amount of surplus allowed to the Bank be sufficient for the ordinary purposes of commerce is, of course, a question for discussion, but the principle which establishes a restriction of some kind has been accepted by the nation in its general course of legislation. It still, however, may be competent to the country to remedy any abnormal deficiency of the currency by an extraordinary issue which the Bank may be empowered to make, not, as it were, on its own account, but on account of the nation, which may regulate the amount issued, and dispose of whatever profits may accrue by the transaction. This seems to us to be the defence for such an interference of the Government as has just taken place. The suspension of the Bank Act has nothing akin to the system which allows American establishments to flood the country with paper representing only a small per centage of capital, or perhaps no capital at all. It is the extraordinary device rendered necessary by an extraordinary conjuncture, and when the necessity ceases the relaxation may cease too. Still the suspension of a positive law is a grave matter, and may well necessitate a speedy appeal to Parliament.

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(From the *Daily News*.)

Commerce breathes again. For the second time the provisions of the Bank Charter Act have been suspended. Yesterday afternoon, to the inexpressible relief of all commercial circles, it was officially announced that Her Majesty's Government have authorised the Bank of England to disregard the trammels imposed by Sir Robert Peel's Act, and to issue notes, if necessary, to an unlimited amount. The conditions imposed are, that the advances must be "on approved securities," and at a rate of discount not less than 10 per cent. per annum. In other words, the mode of relief is exactly the same as that adopted in the panic of 1847; the only difference being, that the price now fixed for the new issue of notes is 2 per cent. higher. The rate at which relief is afforded is not the important thing; the grand point is the certainty



that upon certain terms relief can be obtained. What commerce stands in immediate need of is money, and for this it is ready to pay any reasonable rate. What it regarded with extreme dread was the prospect daily drawing nearer of an almost total suspension of the requisite supply. Considering, however, the absolute necessity which existed for the instant adoption of some measure calculated to pour oil on the troubled waters of finance, the decision adopted by Government is characterised by a happy boldness which will doubtless be attended with the most beneficial results. We differ from and condemn Lord Palmerston's policy on many points. On the present occasion we unhesitatingly proclaim that we are grateful to ministers for the courage and alacrity with which they have responded to the national cry of distress. At the same time it must be kept in mind that Government had little choice but to act as they have done. This is not the first time that England has awoke to find that she has been slumbering upon an incipient earthquake. We are too sincerely grateful for the escape of the country from a great danger, to entertain any feeling of animosity towards the party who, whilst acting doubtless to the best of their judgment, have laboured hard to close the safety-valve; but we must tell the supporters of the Bank Charter Act that they brought the nation, even so recently as yesterday, to the verge of an explosion which might have shattered the entire financial edifice, and carried deep distress into thousands of households. The secret history of the present—we trust we may say past—financial crisis will probably never be written; it is not meet that it should—at least until the return of calm and prosperous times, when its full bearings may be safely discussed, and a moral may be pointed for future guidance. The too strict adherence to a mere theory has brought the country, within the last few hours, to the verge of a monetary crisis as perilous as that witnessed in 1847. The ordinary channels of monetary accommodation were rapidly becoming choked up. The community were rushing to the Bank for money to an unprecedented extent; and each borrower, on obtaining an amount far in excess of his actual requirements, refused to release it. The Bank was being rapidly drained of its banking reserve, and this was the moment selected by a leading contemporary for the flippant remark, that when the great institution in Threadneedle-street had parted with all its notes, it would still be able to go on discounting with the funds falling repayable from day to day. Is the *Times* blind, or does it know that the occurrence of such a state of things would involve the stoppage of half the commercial houses in the kingdom? And now for a word of sober, serious caution to the mercantile community. By the courage and sagacity of Government an imminent and great danger has been surmounted. The public must now do their part towards the restoration of confidence. It was only when the Bank Act stood in the way, damming up the supply of money, that there was any excuse for alarm. It is now placed beyond doubt that the Bank has plenty of notes to issue. Government have boldly, yet most judiciously, refrained from fixing any limit to the amount of new notes. Every



holder of "approved securities" may obtain as much as he chooses to ask. There is, consequently, no longer any public reason why holders of money should decline to lend, for their market is at its top price. All will doubtless be free lenders, and we shall be greatly disappointed if the excessively heavy applications at the Bank do not immediately slacken. There is even strong ground for doubting whether the provisions of the Act of 1844 will be actually infringed, or Government be compelled to apply to Parliament for an act of Indemnity. The resources of the country are as vast as ever; the money in hand is far larger in amount than at former periods, and trade is becoming contracted; the external drain of gold is checked; bullion is flowing in freely from Australia; the American advices are altogether more cheerful; and the flow of sovereigns to Scotland ought to produce nothing more than temporary inconvenience, since they are retained in the country, and will assuredly ere long find their way back in large masses to London. Mercantile houses which have been stricken by the American embarrassments will still come to the ground, and the losses sustained through the heavy fall in produce will tend to increase the number of tottering firms. In this, however, there is nothing in any way suggestive of alarm; and it must not be forgotten that the money which is dropped by speculators in produce is picked up by the consumer. Now that the storm has swept away the trammels imposed by the Bank Act, there is every ground for legitimate confidence; and the people of England will not be true to their reputation for sobriety if they do not scout every provocation to panic.

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(From the *Morning Herald*.)

Yesterday we commented upon a remarkable and ably constructed document, issued by the French Emperor, and stated that it was calculated to inspire the minds of our neighbours on the other side of the Channel with confidence, and thus in some measure lessen the intensity of the monetary crisis through which France, like the rest of the different European nations, is at present passing. Soon after these remarks were penned a communication, signed by the Premier and the Chancellor of the Exchequer, was addressed to the Governor and Deputy-Governor of the Bank of England. Its purport was to authorise these monarchs of the financial world to extend the issue of Bank of England notes. Thus, as in 1847, it has been found necessary to set aside the Act of 1844, in order to relieve the pressure upon commerce. The step taken by the Government meets with the approbation of our chief financial authorities, and the opposition to this expedient waged so vigorously by certain ministerial organs has seriously damaged what little credit they enjoyed as authorities upon matters of finance. In our own country the commercial crisis has already produced most disastrous effects. Several large firms, reported to have possessed large balances in their favour a few weeks since, have been compelled to stop payment, and the position of others is critical in the



extreme. In Scotland, in particular, the panic has spread with fearful rapidity. The failure of the Western Bank, followed by that of the City of Glasgow Bank—both extensive concerns, with numerous branches—has led to an almost total prostration of trade in that part of our island. Upon the causes of this crisis we have already remarked, and shall investigate them more fully at another opportunity, our purpose at present being to deal solely with its effects. The diminution in specie, the high rates of discount, the numerous failures, rendered it absolutely indispensable that the directors of the Bank of England—that fountain-head of commercial credit in this country—should be invested with certain discretionary powers, to be cautiously exercised as emergencies may render necessary. The manner in which the law has been temporarily suspended appears to meet the exigencies of the case. Ministers state plainly enough:—"In order to prevent this temporary relaxation of the law being extended beyond the actual necessities of the occasion, her Majesty's government are of opinion that the Bank terms of discount should not be reduced below their present rate." Whether, by any alteration in the law, commerce might be benefitted is of course a matter for future consideration. The committee appointed to investigate this question have not yet brought their labours to a conclusion. Under the circumstances, therefore, it would be impossible for ministers to rush into the other extreme, and attempt or even appear to sanction a permanent alteration of the law. Such, however, is not their intention. We learn from this document—"Her Majesty's government are fully impressed with the importance of maintaining the letter of the law, even in a time of considerable mercantile difficulty; but they believe that, for the removal of apprehensions which have checked the course of monetary transactions, such a measure as is now contemplated has become necessary, and they rely upon the discretion and prudence of the directors for confining its operation within the strict limits of the exigencies of the case." It is evident enough that a commercial crisis is not exactly the kind of opportunity required for the total change of a financial system. It is an extremely delicate subject, and one that must be approached with the greatest caution. At present the chief object of those in authority must be to restore confidence. This the letter of the French Emperor will do in France, and we believe that the ministerial document will have the same effect here. Upon this ground both receive our commendation; and when the crisis has been surmounted, it may be advisable for the authorities to endeavour to find out means to avert a repetition of the calamity for the future.

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(From the *Morning Chronicle*.)

At last the Government have adopted the measure whose expediency we have maintained ever since the present monetary difficulties commenced, and which the events of the last few days have rendered an absolute necessity. The Bank Restriction Act is suspended. The



directors possess a ministerial authorisation to break the law, as laid down by the statute of 1844, and issue notes to an unlimited amount. For this infringement of the Act, should it really take place, Lord Palmerston undertakes to obtain from Parliament a bill of indemnity, expressing at the same time his reliance on the "discretion and prudence" of the directors, to confine their surplus issues, both as to duration and extent, "within the strict limits of the exigencies of the case." It is impossible to over-estimate the importance of this step. The relief afforded to commerce in every branch will, as we confidently believe, be enormous and immediate. Our single regret is that it has been so long delayed. Even a fortnight since, the appearance of the ministerial letter we publish to-day would have averted many catastrophes, and spared the mercantile community a long series of calamities. The proximate and avowed cause for the proceeding is the stoppage of the two great joint-stock banks in Glasgow. These failures occasioned a withdrawal, in about three days, of more than a million sovereigns from the Bank of England, and by the abstraction of so large an amount of bullion, reducing the legal note circulation so much as almost to absorb the whole reserve of notes, which, at the date of the last return, hardly exceeded two millions. The point of utter exhaustion having been reached, the issue of a governmental "letter of license" was the only remedy against almost total suspension of discounting operations in Threadneedle-street. Those who have watched the course of events in the monetary world have for some time foreseen that this point would be, ere long, reached. The failure of the Glasgow banks has but slightly precipitated the issue. But the question is everywhere asked, why was the remedy withheld so long? It might have been applied in time to save the Western Bank of Scotland, the City of Glasgow Bank, Messrs. Sanderson, and many other firms of less note, but whose suspension will involve thousands in ruin. The delay has proved most disastrous to all the commercial interests of the country. We trust that the disasters have not yet passed the limit at which they would become irretrievable. By the bigotted partisans of the Act of 1844, the violation of its restrictive enactments now authorised will be regarded as something like a mortal sin. By every one connected with commerce the step must be looked upon as a daring experiment. But the peril, if any there be attending the measure, has been entirely created by the hesitation in adopting it. Her Majesty's ministers have actually withheld the remedy until the condition of the mercantile body has become so feverish and attenuated as to render its application a matter of same hazard. But a few days since the prescription would have proved equally safe and effectual. The only peril which the partisans of convertibility anticipate from any relaxation in the Bank issues is that of a "run for gold." This was the bugbear of financial theorists during the early decades of the present century. In truth, the public mind in this country has outgrown any such suicidal folly as completely as we have outgrown sedition, chartism, or the



"Rights of Man." Nothing could induce a run for gold except the access of a panic, in which the most sober trader ceases for the moment to be a reasonable being. If the government interposition has been postponed until the occurrence of such a panic is possible, the blame must be at their door, and that of the prejudiced advisers to whom they have listened too long. Naturally we turn, on an occasion like this, to the precedent set just ten years ago, when a letter of precisely similar tenor was issued by the government of that day. As the comparison is instructive, and most encouraging, we reprint that document in its entirety. It will be seen that the missive sent yesterday to the Bank is formed exactly upon the model set up in October, 1847. They still assign, as reasons for relaxing the Bank Act, the monetary crisis of which that Act has been the sole cause, and enjoined on the Bank the duty of maintaining a high rate of discount by way of preventing the relaxation from being extended beyond the actual necessities of the occasion. The relief to commerce must therefore be kept down to the lowest point which can prevent the Bank from being brought to a standstill. It is probably in consideration for the augmented wealth of the country that this rate of interest, which we find at 8 per cent. ten years since, is now aggravated to 10. We look, however, to the results experienced in 1847, and take courage. Just before the issue of the ministerial letter in that year, the position of the Bank of England was in many respects worse than it has now become. On October 23, 1847, the stock of bullion in the Bank vaults was £8,312,000, of which about 1½ millions was in silver coins; and the reserve of notes, £1,547,000. Both these items were considerably larger at the date of the last return; and if the position of affairs has since deteriorated in consequence of specie remittances to Scotland, it is certain that all the coin sent to Glasgow must find its way back again in the course of a few days at latest. The general state of the country was also then fraught with far more disquietude and peril than we have now any cause to apprehend. There had been a concurrence of causes, physical and moral—famine and excessive speculation—to produce commercial distress. A panic, which was described at the time as being "wild and ridiculous, driving men to very foolish and cowardly proceedings," had prevailed for many weeks. Supplies of bullion from abroad were extremely scanty, except through artificial channels. An expected remittance of a quarter of a million from New York was hailed as a godsend; for any further addition to the stock of the metallic currency, there seemed no other resource but to buy up specie at a premium on the continent. There was then no Australia or California to send us their golden harvests, and our own export trade had not reached half its present value. The *Times* of that day, which had up to the last moment denounced every proposal for relief, when the letter appeared, prognosticated a run for gold, and oracularly declared that the relaxation of the Bank Act could "only prolong the reign of those errors under which we are now suffering, and bring upon us at no long



interval a still more terrible crisis." Yet what was the issue of a step heralded by these dim foreshadowings? In a single day after the government missive had been promulgated, consols rose from 80 to 83½. From that moment also the position of the Bank rapidly recovered. The letter, as every one knows, was never really acted upon—no necessity was found to issue the illegal notes. So far from the apprehended run for gold taking place, in less than a month afterwards, by November 20, the amount of bullion in the Bank of England exceeded 10 millions, the reserve of notes stood at 4½ millions, and the rate of discount had fallen, by the spontaneous cessation of pressure, to 7 per cent. That the results in the present case will follow a similar cycle we have the fullest confidence.

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#### THE ADVANCE IN THE BANK RATE OF DISCOUNT.

THE further advance in the Bank rate of discount, from 8 to 9 and 9 to 10 per cent., in the space of about one fortnight, and the subsequent suspension of the Bank Charter Act, are circumstances testifying to the severity of the general monetary pressure. In such a condition of things, the state of business and the serious consequences which have occurred, may be more readily imagined than described, the effect of these changes having been most important. With trade paralysed and discount facilities almost suspended, the failures have been very numerous, and we have, in its general features, experienced a recurrence of the panic of 1847. The disruption thus occasioned will, for some time yet, exercise an unsatisfactory influence; but although additional suspensions may take place, it is hoped that the eventual results will be less disastrous than anticipated. The issue of the Government letter on the 12th of November has, in a measure tended to alleviate the distress apparent, the want of confidence having been most painfully manifest; but, although an excess of issue to the extent of about half a million at one period took place under the Treasury concession, it is now stated that the amount has since returned to within the limits prescribed by the Act of 1844. So harassing an interval as that which has transpired between the last and the present month has seldom been experienced, and the circumstance that the Bank rate has, on this occasion, been carried 2 per cent. above the point that was attained in October, 1847, before the aid of the Government was extended, will enable most people to form some idea of the enormous strain encountered by the mercantile community.

The City editor of the *Times*, in announcing the change from 8 to 9 per cent. on the 5th of November, remarks:—



"The Bank of England have raised their charge for discount from 8 per cent. which was adopted on the 19th ult., to the unprecedented rate of 9 per cent. The public were fully prepared for the measure, and in some quarters it had been anticipated even that the movement would have been to 9 per cent. for bills not having more than sixty days to run, and 10 per cent. for longer descriptions. That the latter restriction would not have proved too strong seems already to have been indicated by the fact that the demand has shown little, if any, diminution. As the public have now an amount of notes in their hands equal to any recent average, and business has been for some time undergoing rapid contraction, this continued pressure must be mainly caused by alarm and the consequent desire of every person to be over-supplied. The question, whether any further rise will be necessary, will therefore greatly depend upon the extent to which this action is carried. If the mercantile community, instead of recognising from what they have already witnessed of the course of the Bank that they are in no danger of being suddenly shut out from accommodation, will pertinaciously rush to obtain a double share, any inconvenience they may sustain will be of their own creating. The Bank can undertake to provide for wants, but not for fears. There is not the slightest provocative to panic, and whether such a humiliating exhibition of natural ignorance and folly can now take place is a question rational people would hardly have entertained a few weeks back."

On the same point the *Morning Herald* remarked :—

"The increase by the Bank directors in the *minimum* rate of discount from 8 to 9 per cent. did not occasion much surprise, as the movement was anticipated from the continuous pressure which has been experienced, and the withdrawals of gold which have taken place during the last week. The advance to this point shows that the decline in the bullion must have been considerable, and indicates that the next *Gazette* returns will prove very unsatisfactory. Notwithstanding that the terms of discount now stand 1 per cent. above the highest figure at which they ranged during the panic period of 1847, the resources of the Bank, according to the last statement, exhibited more favourable features than at that date. It is reasonable, nevertheless, to conclude, that in the intervening time between the 24th ult. and the 4th instant (the alterations in the period embraced in which will be presented in the accounts furnished in the modified form) some remarkable changes have occurred, which will warrant the directors in pursuing the course they have adopted. Severe as the effect of the measure may be, not only in London, but also in the provinces, its announcement created little excitement, although the gloom previously apparent visibly increased. This feeling, however, was heightened by rumours propagated concerning failures and the arrival of the Vanderbilt steamer with unfavourable advices from the United States. The operation of the Bank Charter Act and the propriety of Government interference at this juncture were keenly discussed, the relief afforded by the appearance of the Treasury letter of October, 1847, being well remembered by those who passed through that crisis. Although it must be confessed that the circumstances attending present events are vastly different from those which influenced that period, a want of confidence may be engendered which will have the effect of destroying credit and paralysing the whole of our financial relations. If, as is asserted, the directors will, to arrest the drain of specie, increase the rate, if necessary, to 10 per cent., there is no limit to which they may not go, but trade, sound as it is, will be greatly



inconvenienced, and must at last be compromised by such excessive charges. During the existing exceptional state of affairs, the delay in the arrival of Australian vessels being one source of anxiety, general agitation must be expected, and although the decline in the price of stocks has not been great, and the credit of mercantile firms continues to be well sustained, the public will dread the responsibility of any additional advances in the Bank's rate of discount. It was stated late last evening that an appeal will be made to the Chancellor of the Exchequer to sanction an issue of £1 notes, or to resort to other remedial measures to prevent the strain now encountered extending beyond due limits. The immediate effect of this advance will be to cause augmented stringency in the continental money markets; and the Bank of France must feel the necessity of raising their rate in proportion—viz., from  $6\frac{1}{2}$  to  $7\frac{1}{2}$  per cent.

On the 9th of November, when the *minimum* reached the *maximum* point of 10 per cent., the *Times* observed:—

"The Bank of England have raised their charge for discount from 9 per cent., which was adopted on the 4th inst., to 10 per cent. This movement was considered certain, and regret may be felt that the last change was limited to a lower point. Whether it prove sufficient to check the determination of each discounter to provide himself with two or three times as much as he wants is doubtful. While a cry is attempted to be raised that the rate now reached is such as to create intolerable inconvenience, the demand at the Bank shows each day that, so far from creating inconvenience to the trader in providing for his ordinary requirements, it does not even produce sufficient effect to prevent him grasping at an unnecessary amount. The fact is, no one with sufficient credit to obtain discount at all cares in the least about an additional 5 per cent. for a month or two. For a single month the difference is 8s. 4d., and every one feels that before the lapse of that time the worst of the trial will be over. In rigid justice, so long as any number of the mercantile body are found to play into the hands of the panic-makers it will be satisfactory to see the rate carried to 20 or 25 per cent., or any point that would at last be regarded as an outlay not safely to be incurred in unreasoning selfishness. Thus far let it be recorded that the working of our currency system has been perfect, and has upheld us in a position to command the admiration of the world. Under no circumstances could any currency system be open to any other than two objections—first, that it has led to a rate of interest which no ordinary merchant could even temporarily bear; and, secondly, that it not only has led to a crushing rate of interest, but that it has caused the necessary accommodation to be refused even at that rate."

The *Morning Herald* thus remarked:—

"The advance in the rate of discount from 9 to 10 per cent. was not unexpected, and hence, when it was officially announced, it created little fluctuation in public securities. The range in prices was about five-eighths per cent., but after varying to that extent they recovered, and closed only an eighth lower than on Saturday. The American advices by the *Asia* were calculated to inspire partial confidence, but the recurrence of mercantile disasters here and in the provinces produced great depression, no relief from the existing stringency being apparently obtainable. The suspension of the Western Bank of Scotland, and the apprehension that other establishments of the class are not altogether sound, has awakened great anxiety



respecting the future, particularly if the Government shall refuse to entertain the representations made by the deputation from Glasgow. The position of the funds at this moment must not be regarded as a true criterion of the prospects of the Money Market, since the investments of the public always produce a favourable reaction when a fall takes place, and consequently the impression on quotations is not of that startling character which recent events would have justified. The unprecedented height to which the rate of discount has now been carried, it being 2 per cent. above the maximum attained in 1847, must be productive of serious inconvenience; and although at present no exhibition of that panic feeling which is usually generated by an excessive advance in the Bank terms of accommodation has taken place, the manifestations yesterday afternoon were decidedly of an unfavourable character. Already the letters from the manufacturing districts speak of the vast number of hands thrown out of employment through the failure of manufacturers and the stoppage of mills, and the evils resulting from this state of things should not be lightly estimated, considering that we are now entering upon the worst season of the year."

On the same subject the *Morning Chronicle* remarked:—

"The stoppage of Messrs. Dennistoun naturally increased the demand for money by merchants who are anxious to retire their portion of the acceptances endangered by so gigantic a failure. The increased inquiry, in conjunction with a further large decrease in the stock of bullion in the Bank, we are informed, half a million, compelled the directors to put up the rate at once irrespective of any other consideration. The Bank rate of discount has now reached the point we long since predicted it would. This last advance may probably effect the object the directors have in view—the stoppage of the flow of gold to America, but it will do so only after the destruction of the entire commercial credit of the country. Should the present restriction on credit suffice to arrest the flow of gold from hence to America, the advocates of the Bank Charter will of course point with exulting declamation to the efficacy of that act to meet the crisis. But they will then, as they do now, wholly ignore the wholesale destruction it entails on the country. The Bank will save itself at the expense of the ruin of thousands. If this be a proper subject for congratulation or exultation we do not envy them the fruits of their insatiate folly and love of gain. They have much to answer for. The Bank Act raises the value of money, and lowers the price of produce and manufactures to a point which ruins thousands and tens of thousands, thereby destroying credit, compelling a suspension of manufacturing industry, and throwing some hundreds of thousands of persons out of employ. All this is done and more besides, yet its supporters derive a fortune, whilst the rest of the world around them are driven to bankruptcy from inability either to realise their assets or procure accommodation. A 10 per cent. rate of discount is in reality a charge of much greater amount, for it means any rate. At the present moment there is a disposition to discount no bills for any one under 10½ per cent. for the best bills, and the more urgent the need the greater the charge for assistance."



## PROBABLE DEPRECIATION OF GOLD.

(Continued from p. 867.)

Of the several extraordinary employments which may be assigned to the metal, gold, the first in importance is undoubtedly the place it would find in the monetary system of different people, amongst whom at present the instrument of exchange is principally composed of paper, and who may be desirous of giving to their circulation the weight and support of a metallic basis. In this class must be included the United States of America, Austria, and Turkey, where money of all kinds is extremely scarce. Secondly, may be mentioned, the constantly increasing progress of luxury and the arts, which excites the fabrication of an immense amount of gold plate and bijouterie; to which must be added the quantity required in the manufacture of gold lace, and for the purposes of gilding, &c. And lastly, the necessity, so it is alleged, of proportioning the quantity of money in circulation to the increasing population of civilised states, and to the progressive movement of affairs generally.

Let us endeavour to give some idea of the quantity of gold which may probably be appropriated by each of these three modes of employment; and to ascertain if the mass of the precious metal thus absorbed would be such, that there would remain no more on the market to depreciate the money composed of it in relation to other merchandise, or, what comes to the same thing, to occasion the phenomenon of a market rise in the price of these commodities.

It is true, that the United States have recently proposed the issue of a considerable quantity of gold pieces; but how many of those which have been struck, have they been able to retain? And how many more are necessary for their requirements? Gold, which in France we find extremely portable, because so long accustomed to the use of silver money, must have appeared on the contrary inconvenient to the inhabitants of that country, where usage had established the employment of bank notes of a denomination calculated to meet the greater part of their daily and personal requirements. In some states, particularly in that of New York, they possess a note of this description for a dollar (4s. 2d. English money), and the notes of a state possessing good credit circulate freely in all the others. Nor must we omit to take into consideration the general custom observed by individuals in the United States, of keeping an amount current with a bank, and making use of it for all descriptions of payments, even for those of housekeeping, a circumstance which dispenses with the necessity of employing much cash, or even paper money, *i.e.*, bank notes.\* Under these circumstances it is reasonable to conclude that the states would be amply supplied with the sum of about £20,000,000 sterling in gold coin.

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\* The term "money" is here employed in the same sense as that of "currency" in this country, comprehending not only metallic specie, but bank notes, which may be said to represent "money."



The estimate would be somewhat less, but for the exigencies of the Federal Government, which, by virtue of a law passed some years since, is in the habit of receiving only specie into its coffers; a circumstance which compels all importers having custom-house duties to pay, as well as the purchasers of public lands, &c., to keep by them a considerable quantity of gold coin.

We know that the sum of £40,000,000 sterling in gold has often been represented as sufficient for the requirements of England, with a population equal to that of the United States, but where the bank note is not issued (except in Scotland) for less than £5. In this country, therefore, where, for all payments for less than that amount, cash becomes necessary, it will easily be understood that gold still occupies a considerable place. Since the discovery of California, the American mints have exhibited an almost feverish state of activity. In fifty-five years, from 1793 to the end of 1848, the gold coinage of the country amounted only to 81,000,000 of dollars (£16,875,000 sterling), or 1,470,000 dollars yearly. In the space of six years from 1st January, 1850, to 1st January, 1856 (see *American Almanac* for 1857, page 218), there have issued from the monetary establishments no less than 320,000,000 dollars (£66,666,600 sterling). Since January, 1856, this issue must have continued in nearly the same proportion. Thus, from the period of the discovery of the Californian mines, the issue of gold coin in the States has attained to upwards of £80,000,000 sterling; and although a considerable portion of this amount has been exported, it is probable that there still remains in the country as much as is necessary for its requirements; and, consequently, it is not to America that we must look for furnishing an outlet for the superabundant supplies. On this point, too, it must be remembered that the United States have succeeded in retaining a part of the gold coined previous to 1850, which amounted to a sum relatively greater during the latter years. In 1847 the coinage was upwards of 20,000,000 of dollars (£4,167,000 sterling).

Let us pass to Austria. If we estimate the issue of gold coins for that country at £20,000,000 sterling, it is more, I think, than might reasonably have been anticipated; and this for several reasons. In the first place, it is difficult to conceive how the Austrian empire can so suddenly have experienced the necessity of gold coin in such large quantities. This country has always possessed silver rather than gold; silver pieces of 20 kreutzer ( $8\frac{1}{2}d.$  English) was the money most commonly recognised, and the greater part of it is still remaining there, although, subsequently, it is known the country has come under the *régime* of a paper currency. The metallic money of the empire was long distinguished by two characteristics—it was moderate in amount, and, because the Austrian public was accustomed to notes of the Bank of Vienna, consisted principally of silver. Notes of ten florins and five florins (about £1 and 10s. respectively, to such a denomination had they descended even before they became depreciated to a *cours forcé*) were abundant. Hitherto there is nothing to warrant the belief that



the Austrian administration, in its efforts to free the country from the paper money under which it has still the misfortune to suffer, contemplates a change of system in this respect, *i.e.*, to repudiate the bank notes of small denominations. Where, then, the necessity of gold, when it possesses a bank note of the value of ten shillings? We know, moreover, that by virtue of the new monetary system to which the whole of Germany has just given its adherence, Austria, as well as her Germanic confederates, is placed under such conditions that gold appears likely for the future to play but a secondary part, even if, which is not at all likely, she should renounce bank notes of such insignificant amounts as £1 and 10s. sterling. In this system it is silver, and not gold, which serves as the pivot and standard; the monetary unit is of silver, and admitting this, if it were possible, by means of certain combinations to obtain for gold a moderately extensive circulation, we cannot perceive that there is any present probability of their accomplishment;—all indications are rather of an opposite tendency.

As to Turkey, desirous as we may be of attaching every consideration to the opinion of those who entertain the belief that it is easy to discover an outlet for the production of the new gold fields; it appears, nevertheless, impossible to attribute the slightest weight to the requirements of a country, destitute alike of commerce and credit, in the discussion which now occupies us.

Besides, in enumerating the countries which appear likely to absorb gold in any quantity, we must not, at the same time, omit those which may not impossibly demonetise this metal. This is no chimerical anticipation, seeing that Holland, a country remarkable in the highest degree for its practical wisdom, has almost taken such a step; and Belgium, where business principles are well understood, has followed the example.\* The East India Company, in England, has introduced a similar measure throughout its vast dominions. Spain also has commenced the attempt, inasmuch as she has withdrawn the monetary function from all foreign gold coins, and it is not improbable another day that she may go further.

It must not be lost sight of that one of the reasons which has obtained for the two precious metals the monetary function with which they are invested, together or separately, in the various civilised states, consists in this, that they are merchandise possessing a value generally more fixed than that of any other. The relative fixity of value is one of the essential conditions of any article destined to act in that capacity, for if this fixity does not exist, how could money thus constituted be regarded as the measure of values? This point is so well understood by persons acquainted with these matters, that even in England, where a decline in the value of gold appears more than imminent, many

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\* In Holland and Belgium gold pieces continue to circulate, but simply and entirely as merchandise, and consequently are in little use;—this is nearly equivalent to an absolute demonetisation.



economists have advocated the abandonment of the golden standard, and the adoption of a silver one in its place.

I pass over in silence the consideration of the outlet afforded by the other two continents, Asia and Africa. Everyone knows that in the barbaric nations in the Levant, in China, and the East generally, silver is the metal commonly preferred. It is this, and not gold, that is exported to these countries from Europe. Not that in some regions of extreme Asia, in India for example, the latter is not a metal appreciated and sought after; but the local mines and those of the islands of the Archipelago (particularly Borneo, which are important) suffice for their requirements.

*En résumé*, from what precedes, in our endeavour to estimate the quantity of gold which may be required during the next ten years to complete or re-establish upon its natural foundations the currency of those states which from circumstances may be in need of the precious metals, we have seen that Austria alone appears capable of accumulating a certain proportion of this metal. This, by a favourable hypothesis, I have calculated at 145,000 kilogrammes, or twenty millions sterling. However, to avoid the possibility of contradiction, I will estimate at double this quantity, or 300,000 kilogrammes, the total of the metal necessary during the decade about commencing for the Austrian empire, and those other states in which analogous wants may be experienced.

So much for the first of the extraordinary *débouchés* that offers for the gold of California and Australia, and that of which there is reason to expect the extraction in Northern Russia.

What then shall we pronounce of the second? Of the amount which would be consumed by the constantly increasing developments of luxury and the arts? On this point it is necessary that we should not deceive ourselves; the age is less ostentatious than it is represented—or rather, it does not indulge its love of splendour by the accumulation of many objects of gold.

Gilding is everywhere common, and judging from Paris at least, appears to be greatly on the increase; but in articles of *bijouterie* gold is only sparingly made use of; rings and watch-cases are manufactured of it, but few of these articles are of a description which exacts any considerable quantity of the metal, the proof of this is to be found in the returns published by the various halls or establishments instituted among civilised nations, for the purpose of testing and guaranteeing the purity of the metal employed.

It would be supposed that in Great Britain, where an opulent aristocracy makes habitually an extravagant display of its wealth, and where, since the peace of 1815, commercial fortunes have increased and multiplied in an extraordinary degree, the manufacture of articles in gold would have experienced a considerable increase. The contrary, however, is the fact; I have before me the operations of the Goldsmiths' Hall in England, from the commencement of the century up to and including the year 1850, published by Porter, in his excellent work



"The Progress of the Nation;" from this statement, the progress of the manufacture has remained, incredible as it may appear, in arrear of that of the population. From the first five years of the century to the last, ending in 1850, the increase in the quantity of gold which passed through this establishment, was about 50 per cent.—during the same interval the population had more than doubled. Then if we take into account the quantity of gold which this manufacture exacts, our astonishment is excited at its insignificance; it is an atom only in comparison with the total extraction. During the last five years of the half century, the annual average has been only 7,686 ounces. In addition to these statements given by Porter, I have been successful in obtaining the relative totals for the last two years, viz., 1856 and 1857, the average, including that destined for exportation, is 10,600 ounces. It must be stated that several articles, such, for instance, as watch-cases, are excluded from this return; but doubling or even trebling the amount, what comparison will it bear to the actual production of the metal.

From England let us turn to France. Here we are met by similar results; embracing an epoch of about half a century (in which, however, is comprised the whole period of the revolution), the increase in the fabrication of articles of gold has not kept pace with that of the population. Necker, who ought to have possessed the best information on this subject, estimated the amount of jewellery, both gold and silver, manufactured in France in the year 1789, at 20 millions of francs; in 1821, it was only 21 millions and three-quarters. On this, M. Humboldt has remarked, "The tables published by the Count de Chabrol would prove then, provided the valuations of De Necker are correct, that the condition of the goldsmiths' business has not materially changed."—(*Essai sur la nouvelle Espagne*, edition 1827; vol. 3; p. 467). Since 1821, a certain progress has been observable; from the returns of the "Bureaux de Garantie," the average of the years 1822, 1823 and 1824, gives 3,059 kilogrammes for gold, and that of the two last past to 1st January, 1857, 8,185 kilogrammes; from these amounts, however, it is necessary to make a considerable deduction for the old metal, whether of plate or jewellery, which has found its way a second time to the melting pot. It is plain, therefore, that in France as well as in England, a progress so insignificant cannot contribute in any material degree to elevate the use of the precious metal to the level of a production so immensely augmented.

In 1827, M. Humboldt estimated the quantity of gold employed by the goldsmiths and jewellers, at 9,200 kilogrammes for the whole of Europe; but from this, deduction should have been made for the old metal, which Necker supposed to amount to one-half. Let us suppose the quantity appropriated to the same purpose at the present day to be double or 18,400 kilogrammes, or by way of margin for the articles manufactured in this metal out of Europe, in the countries of the East, &c., we will carry the total (inclusive of the United States and the rest of America) to 25,000 kilogrammes, annual average for the ten years commencing.



Before quitting this part of the subject, let us devote a few words to the subject of gold lace, and gilding: in Paris, there exists at present a rage for the latter species of ornament; and from this circumstance an inference might possibly be founded, that the consumption of the precious metal was inordinately great. To arrive at a right conclusion on this point, however, it is important to take into consideration the quantity of metal requisite to gild a given surface. Gold, it is known, is the most malleable of substances:—it is capable (by the progress effected in the art of beating) of being made into leaves so fine that 14,000 put one upon the other shall not exceed a millimètre (0·03937 inches) in thickness. With 1,000 kilogrammes (about 2,250 English pounds) we could cover 72 hectares (178 English acres, or 861,000 square yards), a result which absolutely confounds the imagination. Again, with reference to gold lace, the foundation of the threads of which this article is composed is silver, the surface only being gilded, and with a gramme of gold, worth at the present day 2*s.* 8½*d.*, we could gild a thread of 200 kilomètres (125 miles) in length. In a gold piece of 20 francs there is contained enough metal to cover a thread which would extend from Calais to Marseilles.

In Paris, where nearly the whole of the gold which serves for gilding purposes in France, and a great part of Europe besides, is beaten, the production does not exceed 1,150 to 1,200 kilogrammes.\* Gilding by the humid process, *i.e.*, by means of a dissolution of a salt of gold in water, consumes only a very insignificant portion of metal; in this way a few kilogrammes only of gold would suffice to supply the whole lace trade of Paris and Lyons.

In a word, 10,000 kilogrammes of gold may be considered as the maximum required every year for the purposes above enumerated (at present it scarcely amounts to one-half). Add to this the quantity we have already calculated as employed by the goldsmiths and jewellers, and we shall have an annual total of 35,000 kilogrammes (78,750 lbs. English) for the different arts.

This, then, regarded under its several aspects, is the extent of the second of the three channels in question; it proves the utter delusion of those statisticians who have professed to discover in it an illimitable issue for the gold furnished by the new mines.

It is not difficult to find an explanation for a consumption comparatively so limited.

The taste for golden utensils more or less massive in their character, belongs to a nation possessing but slight pretensions to refinement or cultivation; where the eye is mechanically taken and pleased with the glitter of the metal, the mind, in the same way, becomes covetous of a material to which the vulgar attach the idea of richness *par excellence*.

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\* In 1855, France exported 358 kilogrammes of gold in leaf, and 26 kilogrammes drawn or laminated:—there was, in addition, an export of 713 kilogrammes of gold spun upon silk, but of this latter article the silk constituted by far the greater part of the weight.



Its magnificence was properly reserved for the sovereigns of primitive people; it entered into the pomp and pageantry of the Incas, as well as of Attila and Genseric; it formed the pride of the savage races whom the Europeans found in America; the poor Aborigines carried lumps of gold suspended to their ears and noses. Intelligent nations aspiring to a cultivated taste, ornament their houses with materials which, by their arrangement, afford elegant and artistical designs, united to brilliant and delicate colours. They embellish them with objects of art, sculptures, pictures of all the various schools, and engravings. A luxury such as this is more intelligent and conformable to an advanced civilization.

The world, it will be said, has absorbed a mass of nearly 40 milliards (£1,600,000,000 sterling) of silver and gold furnished by the American continent since its discovery by Columbus. Possibly, but upon what conditions has this phenomenon been effected?—these, viz :—that the value of silver has declined in the ratio of six to one; and that of gold in the ratio of four to one; it is only by means of a similar change (except as regards the proportion of the fall, upon which I do not now pronounce) that the gold at present extracted in such vast quantities can become collocated throughout the general markets of the world. This treatise is intended to prove, not that the unusual production of the precious metal will be unable to find employment upon any terms, that would be absurd, but simply that the value it at present possesses with reference to other commodities cannot possibly be maintained. The world is not rich enough to pay so dearly for such a considerable mass of gold—the human race is still poor even in countries the most civilized. To pretend that to satisfy a taste for luxury it could continue to receive at the old rate all the gold of the new mines, is as much as to say that it has suddenly become rich enough to devote £20,000,000 or more annually for the purchase of articles of luxury, of a class which especially merits the title of superfluous. Civilized nations, far from being able to indulge in such chimeras, are exposed to numerous and pressing necessities. The people are still badly nourished, badly clothed, and badly housed; ill-provided with all those objects which respond to the requirements of intelligence, and the satisfactions most conformable with the human dignity. No, to find an issue by which alone it can be rendered available, it must necessarily happen that this enormous extraction of metal declines considerably in value.

We come now to the third and last of the *débouchés* before enumerated. According to those persons who entertain the opinion that gold is not likely to become superabundant in proportion to the general requirements, and that any decline in its value, consequently, is not probable; it is not alone in those countries which at present possess little or no metallic specie in the circulation, or who may be desirous of relieving themselves from the *régime* of a paper currency, that a vast outlet would be opened up for that metal in the way of money. All civilised states, it is said—all those at least in which gold is admitted



to the monetary function—would be desirous for many reasons of securing a new provision, and principally on account of the progress of commercial affairs, and the constantly increasing multiplicity of transactions.

Those who maintain this argument are not, perhaps, sufficiently acquainted with the process by which the commerce of a great state is enabled to extend its operations and enlarge its sphere. They have yet to learn that the progress of commercial institutions—the institutions of credit, particularly—is accomplished with a very limited extension of the metallic medium of exchange. The employment of bank notes, transfer and current accounts, bills of exchange, promissory notes, drafts, and cheques such as those in use in this country, establishments analogous to the “clearing house” of London, and the judicious use of other available resources, all tend day by day to economise the use of the precious metals for this purpose. This instrument of exchange, in fact, may be compared to a machine which has already undergone, and still from time to time experiences important alterations and improvements, much in the same way, for example, as the steam-engine.

Fifty years ago a steam-engine of forty-horse power would have cost 100,000 francs. At the present day, Farcot, Cavé, Cail, and a dozen others in France, would deliver one for 25,000 francs, or a quarter of the price. So too in other countries. This arises from the construction of the machine having undergone vast and varied improvements during the period in question. It is less massive than formerly, contains a smaller amount of metal, both cast and wrought, and notwithstanding is equally solid and equally safe, if indeed not more so. The same with the instrument of the exchanges. Formerly it required a considerable quantity of metal, gold or silver. Now, for the same amount of business, much less suffices. And from what cause? Because by means of a good mechanism like that which prevails in England, the greater part of the commercial operations are accomplished without exciting the movement of a single crown, or at least without the necessity of specie performing any other part than that of a *titre d'appoint*. Bills of exchange, drafts or orders, and other instruments of the same class, multiply with the transactions of commerce; but the metallic money necessary to the transactions increases but slightly.

Here is a fact which appears to me calculated to place in a clear point of view the almost stationary character of the metallic currency in countries where the commercial mechanism is well organised. Bank notes, as every one knows, are a species of money, not metallic it is true, but serving as a direct substitute for it, developing or contracting themselves in the circulation nearly in the same proportion, according to the necessities of commerce, and like it, balancing definitively the various transactions of the country. A bank note possesses this quality in an especial degree, when, like those of the Bank of England, it is invested with the character indicated by the term “legal tender,” by virtue of which a debtor is enabled to offer it in payment to his creditor without power of refusal on the part of the latter, provided always in



the terms of the note itself, that the Bank of England shall pay the amount in specie to bearer on demand. Under these conditions nearly all the causes which tend to excite the augmentation of gold coin in the circulation, are applicable also to bank notes. Then, too, in England we are enabled to recognise with the utmost exactitude, the variations which the quantity of bank notes necessary for the transactions undergoes. The official returns exhibit periodically the amount of the notes which are in circulation. A glance at these statements will serve to show that in spite of the surprising rapidity of the commercial development, it remains at a sum almost stationary. In ten years, from 1846 to 1856, the circulation of bank notes has only increased by the sum of £75,904, upon a total of £30,925,123,\* or the insignificant annual average of £7,590, being at the rate of 1 in 4,000, a progression almost inappreciable as compared with that of the population, and especially with the magnitude of the transactions involved, as exhibited by the table of imports and exports.†

It is proper to mention another fact which is strikingly illustrative of the perfection attained in the working of our credit institutions, and the immense augmentation of which commercial affairs may be susceptible, without the necessity of any increase in the amount of metallic coin, or money even of the character of bank notes, for their transaction. The "clearing house" in London is, as its name indicates, an establishment at which the accounts of private individuals, commercial or otherwise, are daily liquidated through the medium of their bankers. In 1839 this establishment was already capable of effecting the annual liquidation of 950 millions sterling, or a total of three millions daily, by means of a supply of £200,000 in sovereigns, or rather in bank notes. At the present day, with a mass of accounts amounting to 1,500 or 2,000 millions sterling, it is capable of dispensing even with the assistance of the latter, the bulk of the opera-

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\* In 1846, the average circulation of Great Britain in bank notes, was £30,925,123 sterling, viz. :—

Notes of the Bank of England	...	...	£20,786,500
Ditto of other banks in England and Wales	...	...	7,645,855
Ditto ditto Scotland	...	...	2,492,768
Total	...	...	<u>£30,925,123</u>

In 1856 the average circulation was ... .. £31,001,027

vis. :—Notes of the Bank of England	...	...	£20,083,000
Ditto of other banks in England and Wales	...	...	6,766,872
Ditto ditto Scotland	...	...	4,161,155
Total	...	...	<u>£31,001,027</u>

† In 1842 the value of the exports of the United Kingdom in objects of national production was £47,285,000 sterling. In 1856 it equalled £115,891,000; the progress experienced in the imports is not less developed.



tions being effected through the medium of cheques on the Bank of England.

It is not meant that in proportion as the population augments there is no necessity for more money for transactions, other than those of commerce properly so called, such for example as the payment of wages and the numerous petty disbursements incidental to the retail trade of a country. This influence of the population on the quantity of metallic money, and particularly of gold, is especially sensible in those systems where there exists no bank notes of less than £5 in value, as in England, or £4, as in France previous to the law passed at the termination of the last session; but the population everywhere progresses only slowly in comparison with the increase which has been experienced in the production of gold. In Europe this takes place at the rate of  $1\frac{1}{2}$  to  $2\frac{1}{2}$  per cent. per annum; in the United States, with one only exception, it is three per cent., if not a little more. Let us suppose the average to be  $1\frac{1}{2}$  per cent., which is probably an exaggeration. In the next place, what is the mass of gold money on which it is necessary to rest the calculation? It would be difficult to estimate at more than 160 to 200 millions sterling the amount (exclusive of silver) required for the circulation of the whole of the nations of Christendom.\* Say £200,000,000;  $1\frac{1}{2}$  per cent. on this sum is £3,000,000 sterling, or about 22,000 kilogrammes by weight of gold.

It will here be represented that we ought not to restrict our consideration to the development of the population, but that the progress of the general wealth, as well as the diffusion of prosperity amongst the working classes, must also be taken into the account. This is no doubt true—transactions in detail, the adjustment of which can only be effected by means of metallic money, are naturally more extended under the circumstances indicated. But does it follow that it is gold coin which must necessarily multiply in proportion? For my own part, I should have imagined that silver, or even copper, would have been much more applicable for the petty requirements of the million. Gold pieces are never struck of less than five francs each, and even the success of those (of this denomination) which have recently been issued in France remains very problematical, notwithstanding the care expended in giving them a large surface, in order that they may slip less easily

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\* The quantity of money, both silver and gold, which circulated in Europe thirty years since was estimated at less than nine milliards francs (about £360,000,000 sterling). Humboldt, in 1827, supposed it to be £344,000,000 sterling (*Essai sur la nouvelle Espagne*, vol. 3, p. 469). It ought, doubtless, to have augmented since then, but the resources of our institutions of credit have developed themselves still more. If we take into account the circumstance that America has produced almost invariably until 1848 much more silver than gold, nearly in proportion of three parts of the first-named metal to one of the second, it will bear out the correctness of our assertion, that, having regard to the silver money possessed by Europe and civilised countries generally, and to the present organisation of the monetary system, the whole of the Christian states do not employ in their circulation more than £200,000,000 sterling of gold coin.



between the fingers; and yet a piece of five francs is a large sum for transactions of the kind described.

It may be mentioned, that the introduction of the bank note for fifty francs into the French circulation, which has recently been authorised by law, is calculated to diminish in a material degree the employment of gold as money. There exists in such a provision a restrictive force, which may much more than counterbalance the expansion imparted by the increase of the population and the progress of affairs. The Bank of France has never been solicitous to afford to the note for 100 francs all the circulation of which this representative sign is capable. It may, in the same manner, seek to retard the moment when the note of fifty francs shall circulate agreeably to the decision arrived at by the legislature; however, the antipathy of the Bank to innovations must have its limits, neither are its ears entirely closed to the voice of reason. In these latter times it has consented to extend the note for 100 francs with a hand somewhat less sparingly; it will, no doubt, eventually acquiesce in the wishes and requirements of the public, with reference to the note for fifty francs.

From these considerations, I cannot conceive that there is anything to be added, on the score of increase of business, to the 22,000 kilogrammes already mentioned as the probable addition to the circulation, in view of the requirements of the surplus population.

Gold coin is subjected, from the very circumstance of its circulation, to a certain consumption of the metal of which it is composed. It, in fact, wears out, and by that means sustains a loss which it is necessary to replace. This, which is called the "waste," amounts upon the total of the coinage circulating in a large state, to a very appreciable annual quantity. On this subject a large amount of information has been furnished, both by observation and experiment, of which the most remarkable are those made in England at different periods; but especially in 1798 by a celebrated physician named Cavendish, and a distinguished chemist Hatchett; in France, more recently, by MM. Dumas and De Colmont in the name of the "Commission des Monnaies" already mentioned, at which M. Thénard presided; and lastly, in Holland, on the occasion of the change introduced into the monetary system of that country. From these it has been proved that for equal dimensions, pieces of gold containing a moderate alloy of copper, and more especially of silver, deteriorate considerably less by use than those of silver.

It has been established also, that in proportion as the pieces diminish in size, the wear increases, and rapidly so, either because the small coins pass from hand to hand much more frequently than others, or for the reason that in proportion to the weight they present a greater extent of surface. There is reason to believe that in adopting the ratio of 2 in 1,000, the probable annual loss sustained from this cause in the gold coinage is somewhat exaggerated. At this rate, on a mass of £200,000,000 sterling, which would be more than sufficient to saturate with gold the entire circulation of Europe, and that of the



other countries of the civilised world, there would be annually a waste of £400,000 sterling, or in round numbers 3,000 kilogrammes (6,750 lbs.) of metal.\*

It is necessary to mention one other means of consumption for this metal. I allude to the practice of hoarding. The practice of hoarding, or preserving pieces of money by way of concealment, is the characteristic of an antiquated civilisation, when wealth was compelled to seek refuge in the earth in order to escape spoliation, or loans on interest were unknown. It is a custom which at one period of time not only retired important sums from the circulation, but frequently even occasioned their loss altogether; because buried in the midst of revolutions, wars, and other public misfortunes, they were forgotten afterwards; the secret of their hiding place has perished with the death or exile of the possessor. In Europe, at the present day, the quantity of metal which comes out of the ground, is probably much greater than that which takes refuge there. Thus hoarding can scarcely be considered as creative of a void in the circulation, which the gold mines would be called upon to fill up.

However, once more to avoid the imputation of not having made the most of all the possible outlets for the new metal, I will suppose that £2,000,000 sterling may be appropriated in this way every year; but at the same time I hope I shall not be considered unreasonable, if in

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\* On this subject of the waste, the information we possess is less precise for gold than silver; and even for silver, it is not altogether concordant. With regard to the latter metal, a fact perfectly attested is, that the French piece of 5 francs, of which it will be remembered the weight is 25 grammes (a gramme equals  $\frac{1}{16}$  a dram English), loses only 4 milligrammes, or the 250th part of a gramme, a year: this amounts to 16 parts in 100,000, or 1 in 6,250. In England, according to the observations of Cavendish and Hatchett, interpreted by Mr. Jacob, it is for the crown piece of 5s., and weighing 30 grammes 7 centigrammes (15 $\frac{1}{2}$  drams), 18 parts in 100,000, or 1 in 5,643; and for the shilling, a coin of much more active circulation, 1 in 219. Calculations were instituted on an extensive scale in Holland, some years since, during the general recoinage of the silver money, and reported in a statement published on the occasion of this vast operation, by order of the Government, by M. Vrolik, then President of the "Commission des Monnaies" for the Low Countries, and subsequently Minister of Finance. It appears, from this, that the waste of the Dutch silver pieces of small denomination is sensibly less than that indicated by Mr. Jacob for those of his country. The latter gentleman, from observations made on the money of London in the year 1826, has arrived at the conclusion that gold coins lose annually 1-800th. The experiences of 1807, from the interpretation given to them by the same author, would indicate an annual waste of 1 in 1,050 for the guineas, and 1 in 460 for the half-guineas. If, then, regard be had to the fact that the guineas, or more properly speaking, sovereigns, form the greater portion of the gold money which circulates in England (or 9-10th nearly), the consequence will be that the average annual waste on the gold pieces in that country amounts to 1 in 960. In France, where the dominant gold piece seems to be of right always that of 20 francs, which differs not materially in volume and dimensions from the English sovereign, but where they extract from the gold before coinage more carefully than in England the small proportion of silver contained in the lingots, and which would add to the durability of the pieces, the proportion of the waste must be greater; but still, I believe, much under that of 2 in 1,000.



this sum I include the amount of gold annually lost from divers accidents, and especially from shipwrecks. These two millions would equal in round numbers 15,000 kilogrammes of metal.

And now to fix the attention, and give precision to our conclusions, let us recapitulate, in the order in which they have been enumerated, the various employments in question.

From what we have seen, the requirements of all those states, which from circumstances may be short of gold coin in their circulation, appear not likely to exceed 300,000 kilogrammes of metal for the ten years ensuing. In the same way the quantity exacted by the goldsmiths' and jewellers' trades, as well as for the various purposes of gilding, and the manufacture of gold lace, &c., amounts only to 35,000 kilogrammes yearly average, or for the decennial period in question, 350,000 kilogrammes. As to the increase of money necessitated by that of the population, and by the development of prosperity amongst the various nations of Europe and America, I have, by a liberal calculation, placed it at 22,000 kilogrammes annually, or in ten years, 220,000 kilogrammes. With reference also to the wear and tear of coins, it has been shown that this cannot amount to an annual average of more than 3,000 kilogrammes, or in ten years, 30,000 kilogrammes. And lastly, the quantity abstracted by hoarding, joined to other accidental losses, would seem to be more than provided for by the sum of 15,000 kilogrammes a year, or, multiplied by ten, 150,000 kilogrammes. By addition, therefore, of these several amounts, we obtain a total of 1,050,000 kilogrammes (about 1,054 tons English), as indicating the amount of the precious metal which would be enabled to find a natural employment during the next ten years. By the term natural employment, I mean that it would circulate on the same conditions as heretofore, and consequently without assisting in the decline in the value of gold. In estimating the annual average production for the ten years now commencing at 250,000 kilogrammes only (it is not too much to suppose they would reach 300,000), the superabundant mass of metal which, at the expiration of that period, would operate in depressing the value of gold, would amount to 1,450,000 kilogrammes (1,450 tons English), or to the half of all that America has furnished since the first voyage of Columbus until the discovery of the Californian mines in 1848, that is, in 356 years.

The conclusion from this analysis appears to me easy to deduce. In whatever direction we turn, we can perceive no new channel capable of affording an issue to the extraordinary production of metal which at present goes on, in a proportion to prevent a decline in its value. There is but one method of employment for these masses of gold, viz., by coining and precipitating them into the current of the circulation, and that amongst people who are already sufficiently provided with money of this description. This current will doubtless absorb them, because it is, so to speak, insatiable; it receives and carries along with it all that may be thrown in. But the assimilation is effected on one condition, viz., that gold depreciates more and more in value. Money



offers the only issue by which the greater part of this extraordinary production can be rendered available, notwithstanding the fact that several nations have closed their doors against the metal. How, then, can the channels of circulation in those countries which remain constant to the use of that money, avoid becoming surcharged? In other words, how is it possible for France to escape an approaching rise in prices, if gold is suffered to maintain the same place in the monetary system which it occupies at present?

The decline in the value of gold, then, must be regarded as an event for which it is necessary to prepare ourselves without loss of time. Who does not know that the value of gold in relation to other commodities generally, and to silver in particular, instead of being fixed and immutable, has experienced numerous and extensive variations; that since the commencement of the world, it has continued to modify itself, sometimes in one way and sometimes in another, under the influence of forces much less energetic than those which are at present in action? I refer those who may be desirous of information on this subject to the writings of an illustrious authority, Mr. Humboldt,\* who, in his treatment of this question, has brought to bear on it all the light of his great intellect. They will here see, for example, that by casting into the circulation of the Roman world a mass of gold (important in amount, it is true), Julius Cæsar determined a fall in the value of the metal so great that, having for some time previously been estimated at seventeen times its weight of silver, it fell to no more than nine times.\* By what species of exceptional magic will the natural causes inducive of the decline in the value of gold become paralysed, at a time when they are developed in such unusual proportions?

(*To be continued.*)

#### TRADE OF THE UNITED KINGDOM.

THE Board of Trade returns for the month of September were issued on the 27th October, and it is to be apprehended they may for some time to come prove the last that will show a comparative increase in our trade. Contrasted with the corresponding month of 1856, they exhibit an augmentation in the declared value of our exports of £852,203. Notwithstanding diminished shipments to India, cotton and cotton yarn figure for an increase. This, however, is in a great degree to be attributed to the advance in the price of the staple. The other most prominent items on the favourable side are machinery, metals (with the exception of copper), leather manufactures, and woollen goods. On the other side silks are the principal. The subjoined table shows the exact increase or decrease under each head:—

\* This work of the patriarch of the sciences is anterior by several years to the discovery of the Californian mines; it dates from 1838. The *Journal des Economistes*, of March, April, and May, 1848, contains an excellent translation by M. Rempp.



## DECLARED VALUE OF EXPORTATIONS.

Months ending Sept. 30, 1856, and Sept. 30, 1857.	1856.	1857.	Increase.	Decrease.
Apparel and slops ... ..	£140,089	£190,928	£50,839	£ —
Beer and ale ... ..	79,779	108,376	28,597	—
Books ... ..	37,510	39,081	1,571	—
Butter ... ..	64,722	52,508	—	12,219
Candles ... ..	23,860	29,710	6,850	—
Cheese ... ..	14,333	13,891	—	442
Coals and culm ... ..	800,141	852,205	32,064	—
Cordage... ..	27,789	18,176	—	9,613
Cottons ... ..	2,441,664	2,494,950	53,286	—
Cotton yarn ... ..	808,456	965,698	157,242	—
Earthenware ... ..	114,822	123,578	8,756	—
Fish ... ..	161,552	200,964	39,412	—
Furniture ... ..	20,136	29,719	9,583	—
Glass ... ..	48,718	58,917	10,199	—
Haberdashery ... ..	322,509	328,183	5,674	—
Hardware ... ..	335,375	360,847	25,472	—
Leather ... ..	134,630	196,411	61,781	—
Linens ... ..	397,811	402,056	4,245	—
Linen yarn ... ..	114,187	149,017	34,830	—
Machinery ... ..	266,442	445,184	178,742	—
Iron and steel ... ..	1,129,404	1,187,410	58,006	—
Copper and brass... ..	219,595	272,512	52,917	—
Lead ... ..	92,067	62,086	—	29,981
Tin ... ..	135,321	202,976	67,655	—
Oil seed ... ..	99,273	60,804	—	38,969
Painters' colours ... ..	41,472	39,931	—	1,541
Pickles and sauces ... ..	34,017	34,654	637	—
Plate and jewellery ... ..	50,436	41,280	—	9,205
Salt ... ..	47,068	33,028	—	14,040
Silks ... ..	801,547	233,268	—	68,279
Soap ... ..	24,289	18,315	—	5,974
Soda ... ..	57,687	77,195	19,508	—
Spirits ... ..	72,312	54,988	—	17,329
Stationery ... ..	59,578	58,531	—	1,047
Sugar, refined ... ..	98,072	40,050	—	58,022
Wool ... ..	88,852	104,740	15,888	—
Woollens ... ..	814,230	915,463	101,233	—
Woollen Yarn ... ..	313,070	345,196	32,126	—
Unenumerated articles ... ..	684,356	746,608	62,252	—
Total ... ..	10,216,671	11,068,874		

The total of our exports for the first nine months of the year has been £95,735,592, showing an increase of £10,828,987, or about 12½ per cent. The changes have occurred in the following manner:—

January, increase ... ..	£1,063,319
February — ... ..	1,587,293
March — ... ..	1,007,778
April — ... ..	560,918
May — ... ..	2,648,904
June, decrease ... ..	30,347
July, increase ... ..	2,233,306
August — ... ..	885,513
September ... ..	852,203



Compared with the corresponding nine months of 1855, the increase is £26,508,755, or more than 38 per cent.

With regard to imported commodities, the consumption of articles of food and luxury has presented no material variation. Tea, coffee, sugar, spices, and tobacco, all show an increase. Wine and spirits again show a decrease, and also cocoa, from the effect of the advanced price. In wheat and flour the falling off is very large, although it is still partially counterbalanced by considerable arrivals of other grain.

Subjoined are the quantities of provisions, &c., imported and taken for home consumption:—

Months ending Sept. 30, 1856, and Sept. 30, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Grain, wheat, qrs. ... ..	459,116	284,625	459,116	284,625
Grain of other descriptions, qrs.	171,229	345,840	177,229	345,840
Indian corn, qrs.... ..	69,836	141,609	69,866	141,609
Flour and meal, cwt. ... ..	890,221	67,689	890,221	67,689
Provisions—Bacon, &c. &c., cwt.	32,553	28,770	Free.	Free.
Butter and cheese, cwt. ... ..	93,135	75,753	86,727	76,205
Animals, No. ... ..	47,751	46,770	Free.	Free.
Eggs, No. ... ..	8,882,000	10,005,000	8,882,000	10,005,000
Cocoa, lb. ... ..	420,154	251,063	309,188	183,573
Coffee, lb. ... ..	2,997,766	8,181,385	2,836,009	2,920,493
Sugar, cwt. ... ..	617,780	632,078	667,575	693,427
Tea, lb.... ..	3,810,114	3,831,395	5,231,299	5,966,843
Rice, cwt. ... ..	353,699	451,604	129,297	132,589
Spirits, gallons ... ..	891,824	595,815	414,081	386,309
Wines, gallons ... ..	987,745	608,329	642,966	559,755
Tobacco, lb. ... ..	2,309,242	4,318,825	2,737,272	2,790,902
Currants, figs and raisins, cwt....	62,057	24,709	37,939	42,652
Lemons and oranges, bushels ...	6,715	1,957	6,049	4,190
Spices, lb. ... ..	971,034	259,183	346,935	364,119
Ditto, cwt. ... ..	2,869	3,232	1,145	1,421

The following are the comparative imports and exports of raw material, showing at length a decrease in silk:—

Months ending Sept 30, 1856, and Sept. 30, 1857.	Imported.		Exported.	
	1856.	1857.	1856.	1857.
Flax, cwt. ... ..	326,647	401,428	—	—
Hemp, cwt ... ..	154,471	265,572	—	—
Raw silk, lb. ... ..	461,870	384,548	67,789	118,492
Cotton, cwt.... ..	558,050	430,718	156,346	62,596
Wool, lb. ... ..	10,041,798	9,678,687	1,261,602	3,071,861
Tallow, cwt. ... ..	127,823	116,686	—	—

Of silk manufactures the totals stand thus:—

Months ending Sept. 30, 1856, and Sept. 30, 1857.	Imported.		Home Consumption.	
	1856.	1857.	1856.	1857.
Silk manufactures of Europe, lb.	94,736	73,099	91,417	74,612
Ditto of India, pieces ... ..	47,870	25,763	10,442	1,523



**THE BANK OF FRANCE.**

DEBTOR.			CREDITOR.		
	F.	C.		F.	C.
Capital of the Bank .....	91,250,000	0	Cash in hand .....	73,985,894	89
Ditto, New .....	91,250,000	0	Cash in the branch banks .....	115,609,028	0
Reserve of the Bank .....	12,980,750	14	Commercial bills overdue .....	769,865	48
Ditto, New .....	9,125,000	0	Do. discounted, but not due .....	807,453,889	99
Ditto in landed property... ..	4,000,000	0	Ditto in the branch banks .....	281,106,516	0
Bank notes in circulation .....	581,678,000	0	Advanced on deposit of bullion .....	2,908,400	0
Ditto of the branch banks .....	49,581,800	0	Do. by the branch banks .....	2,080,500	0
Bank notes to order .....	6,911,147	92	Do. on French public secu- rities .....	28,079,086	10
Receipts payable at sight .....	8,247,288	0	Do. by the branch banks .....	6,682,350	0
Treasury account-current, creditor .....	72,876,955	94	Do. on railway securities .....	21,255,200	0
Sundry accounts-current... ..	199,168,822	64	Do. by the branch banks .....	11,275,700	0
Do. with the branch banks .....	25,445,346	0	Do. on Crédit Foncier scrip .....	160,900	0
Dividends payable .....	421,987	25	Do. on branch banks scrip .....	45,200	0
Discounts and sundry in- terests .....	2,804,725	66	Do. to the State on agree- ment of June, 1848 .....	56,000,000	0
Commission on deposits ... ..	15,905,862	7	Government stock reserved .....	12,980,750	14
Re-discounted during the last six months .....	2,268,887	81	Ditto disposable .....	52,189,860	88
Protested bills .....	6,945	90	New shares, not settled .. ..	67,148,400	0
Sundries .....	2,908,146	18	Hotel & furniture of the Bk. Landed property of the branch banks .....	4,000,000	0
			Expenses of the Bank ... ..	5,864,609	0
			Premium on the purchases of gold and silver .....	1,607,190	49
			Sundries .....	1,827,443	6
				1,025,635	28
F. 1,041,887,915 46			F. 1,041,887,915 46		

The above figures seem to have created heaviness on the Bourse, but are not very much worse than had been anticipated. The bullion, which in the previous account showed a decrease of £896,000, has experienced a further reduction of £1,440,000, and the sum now held is £7,580,000. This, however, is £310,000 in excess of the total at the Bank of England according to the return published at the same period. At the same time there has been a decrease of £968,000 in the note liabilities. The discounts present a decline of £807,000. The Government balance has fallen off £602,000. In the advances on Rentes there has been no alteration, but those on railway shares have been augmented £167,000. The premiums paid for purchases on gold, which last month amounted to £10,120, have been on this occasion, £15,000.



### THE FRENCH BUDGET.

M. Magne, the French Minister of Finance, has addressed to the Emperor a long and important report, setting forth the financial situation of the country, and explanatory of the budget of 1857, about to be submitted for examination to the Council of State, from which we make the subjoined extracts :—

With reference to the deficits of former budgets, M. Magne says :—

Your Majesty has considered the establishment of the equilibrium between the annual receipts and expenses as one of the greatest services that can be rendered to our country. That undertaking was not an easy one. It required long efforts and a determined will ; as not only were the extraordinary difficulties of the present to be surmounted, but those also which have been handed down to us from the past. At the period of the 2nd of December, 1851, a considerable difference, the work of former days, existed between the charges and the resources of the state. The budget of 1847, the last of the monarchy of July, closed with a deficit of 257,000,000f. The deficit of the budget of 1851, the last of the republic, exceeded 100,000,000f. Such was the starting point of the present Government, and such the distance which separated us from an equilibrium. The object in view was to fill up the pre-existing vacuum between the resources and the expenses, and to provide for new wants. In the first year (1852), the deficit of the year was reduced three-fourths as compared with the preceding one, as from 100,000,000f. it was brought down to 25,000,000f. In 1853 it was still further reduced, and did not exceed 23,000,000f. In 1854, the amelioration of the finances continued to follow a progressive course, when, almost at the same time, the war which broke out in the East, the scarcity of food, and other scourges created extensive wants. And other necessities of a state of things unusual in so many ways, gave an unforeseen increase of 440,000,000f. to our expenses. The loan of 250,000,000f., the proceeds of which were devoted to the budget of 1854, was evidently insufficient to support such a burden ; and hence the deficit of 186,000,000f. which resulted in the accounts of that year. No one is ignorant that the influences of the same causes became aggravated in 1855, and that they were prolonged to 1856, and must make themselves still felt in some branches of the public service during the present year ; but, thanks to the last two loans, authorised in view of these extraordinary necessities, the result of these three years will be very different from that of 1854. I am happy to repeat to your Majesty that, contrary to fears which have been several times expressed, the regular payment of the instalments of the loans, the still increasing progress in the indirect revenue, and the payment in advance of the direct taxes, will have given us the means of completely meeting, and without any kind of embarrassment, the ordinary and extraordinary expenses of 1855, 1856, and 1857, and that, notwithstanding the war in the East and its consequences, and in spite of the public calamities which weighed so heavily on them, these years will not add a centime to the amount of previous arrears. The general balance of 1855 shows a definite surplus of resources of 394,000,000f., which are carried on to 1856. The budget of 1856 will present an available balance of about 106,000,000f., by which that of 1857 will profit. The year 1857 is now sufficiently far advanced to allow the result of it to be foreseen. Although it has had to support the dearth of provisions, and the heavy charges caused by the war, it will give us a surplus of 20,000,000f. at least, the employment of which will be hereafter determined on : and which may, if necessary, be devoted to a fund for the public works necessary to prevent a recurrence of inundations. As to the budget of



1858, I cannot speak of it, except to remind your Majesty that it was voted with a surplus of receipts of 20,000,000f. and that already the progress of the revenue has exceeded, by more than 24,000,000f., the calculation which served as the basis of the estimates. The year 1854 is, therefore, the last that will close with a deficit. The budgets having ceased from 1855 to increase the amount of the deficit, it is necessary, in order to ascertain the total amount, to go back to former years. Their aggregate, which has been frequently the object of singular exaggeration, amounts to a sum of 886 millions, which may be divided as follows:—292 millions are a balance left by the Government of July; 359 millions belonged to the Republic; and 235 millions only are the effect of the present Government. These 235 millions are not even a deficit properly so called. A fact, which has not been sufficiently remarked is, that since 1852, a larger sum than that has been devoted to public works. This outlay in fact was only a useful investment of money, an increase to the riches of the country, and a loan made by the present for the advantage of the future.

As regards the floating debt, the minister says:—

Its principal object is to supply the insufficiency of the budgets. It is consequently this debt that has furnished the 886,000,000 f. which have made up the deficit of all *régimes*. If to this sum be added the 78,000,000 f. advanced in 1852 by the Treasury to reimburse the holders of 5 per cent. Rentes who did not accept the conversion, the real wants which it was necessary to provide for will be exactly ascertained. By means of the legislative combinations voted last session, and of the treaty which your Majesty authorised me to conclude with the Bank of France, the floating debt will in a short time, and without any shock, be reduced to about the sum of 750,000,000 f. This amount has nothing excessive in it as regards the actual movement of business and of capital. In order to be convinced of this, it suffices to know that a very great part of it may be furnished by the obligatory payments which the Treasury itself, in the state of our legislation, cannot refuse, and to which it would be difficult to give any other employment. Under these conditions, the Treasury Bonds, which form the most delicate part of the floating debt, on account of their being due at short dates, may come down to about 100,000,000 f.; the administration of the finances will be in a state sufficiently normal to be freed on this subject from any pre-occupation, while waiting until it can improve it still more—an object towards which all the efforts of the Government must always tend.

The consolidated debt is next alluded to, though briefly:—

“The last three loans, notwithstanding their glorious cause and their prodigious success, have not the less been for public credit a trial which your Majesty has directed to be attended to. When it was in contemplation to consolidate the floating debt, you preferred, and with good reason, the system which, by the immobilisation of Rentes created for that purpose, responded best to that idea. New Rentes, consequently, will not be issued in the market; the grand-livre will be closed, and everything leads us to hope that it will be so for a long time, and that nothing will happen to interfere with the final classification of the securities recently negotiated.”

M. Magne then arrives at the principal object of his report—the budget of 1859—and the conclusion at which he arrives is thus stated:—

“In order to put aside all chance of error, and to protect ourselves as far as possible from miscalculations, we ought to maintain and even extend in our valuation of the budget of 1859 the rules of prudence which pre-



sided over the preparation of the two preceding budgets. The receipts and expenditure have been drawn up in that spirit. With regard to the receipts, I have taken for basis the existing taxes, and have calculated their produce after the facts accomplished in 1857, or the anticipations already admitted for 1858. That mode of proceeding permits us to reserve for unexpected cases considerable augmentations which will in all probability be produced in the course of the years 1858 and 1859. With regard to the expenditure the valuation is taken in a contrary sense—that is, with every possible precision, and comprising alone in the anticipations augmentations necessary for the improvement or the development of certain services. A new sum of 5,000,000*f.* has in this manner been added to the item of salaries and wages. That sum will advance by another step, while awaiting something better, the just enterprise undertaken by your Majesty. It has been divided among the various Government offices, in order to increase the lowest salaries, including those of the magistracy (Tribunals of First Instance). The 11,000,000*f.* granted to the Ministry of Marine in 1858 are maintained for 1859, and are augmented by a new sum of 8,000,000*f.* destined to give activity to the very national work of the transformation of the fleet and the completion of the military ports. Several of the public services in the Interior, War, Public Instruction, Public Worship, Agriculture, and Commerce, receive dotations more in conformity with their wants. Lastly, I have collected, with the greatest care, in order to inscribe them in the budget, all expenditure relative to the public debt, or corresponding with an increase of receipts, the majority of which, though obligatory, have hitherto been paid by means of supplementary credits. In comparing the expenses, which are taken on the largest basis, with the produce of taxation, valued with great moderation, an excess of receipts is found amounting to 48,000,000*f.* I have the honour to propose to your Majesty to take out of this sum 40,000,000*f.* to restore them to the dotation of the sinking fund. The surplus will remain as excess of receipts to meet any unforeseen charge, with the increase of the taxes, which will be so much the more considerable as the progress of years 1858 and 1859 is not calculated on beforehand. Such are the bases of the preparatory draught which I have the honour to propose sending to the Council of State. If your Majesty will deign to cast your eye over the aggregate of our finances, you will see that all the essential elements of it are favourable, and calculated to inspire the greatest confidence. It would not, in fact, be either just or logical to take as a characteristic sign of our general situation the transitory facts which temporarily act on credit, such as the over-quantity of securities, the crisis of the neighbouring countries of which we feel the effects, and the panic which is the result of it. Public opinion is seriously right in being uneasy when order is threatened either at home or abroad, when authority is weakened, when the Treasury is embarrassed and the floating debt increased, when loans are imminent and the budgets are in deficit, when harvests are insufficient, when public prosperity is checked in its march, and when commerce becomes slackened or compromised. But, in good faith, must it not be admitted that public tranquillity was never more complete, authority never stronger or more respected, foreign policy never more popular and more national, and that our relations with foreign Governments were never more perfect than now? The Treasury is in an excellent situation. For several years the amount of *découverts* has not increased; the reduction of the floating debt is assured; all the loans are paid up; the grand-livre has been indefinitely closed; and the sinking fund could be re-established. In giving us abundant harvests, Providence has delivered us from our principal danger. The increase, really



marvellous, of indirect taxes and revenue, has not only the advantage of facilitating financial reforms, but it proves the development in an unhopedor degree of the activity of the country. From 1847 to 1857, the amount of importations and exportations united, rose for the special commerce of France, from 1,664,000,000f. to 3,881,000,000f. Navigation has progressed in the same manner; and in the same interval the imports of gold and silver have exceeded the exports by more than 1,400,000,000f. In the nine months of 1857, the excess of imports was 62,000,000f. In reality, then, the circulation is far from having declined; but the employment of specie has increased in proportion to the extension of affairs. Commerce and manufactures, which, docile to the reiterated counsels of the Government, have not made an abusive use of credit, receive at this moment the reward of their prudence. A thing worthy of remark is, that during the very difficult years we have passed through, and amidst the commercial disasters which have afflicted and still afflict most of the markets of Europe and the New World, the importance of bankruptcies in France has followed, as it were, a descending scale. The Bank of France had entered the path of liberal measures, when, led away (*entraîné*) by the example of foreign banks, it was forced, in order to protect its metallic reserves, suddenly to raise the rate of discount. But it must not be forgotten that this measure is essentially temporary; that the Bank possesses at this moment 50,000,000f. of specie more than at the same period last year, and that, thanks to good crops, it has not to provide for the same exigencies. Although less well armed than at present, it has surmounted at other epochs difficulties much more grave, by confining itself to a prudent line of conduct avowed by the law and by reason, and without having recourse to any empirical means which ill-understood interests might counsel, but which are condemned by the experience of all times and all countries, and which would be rejected by the Bank of France with not less energy than by the Government. The abundance of titles arising from the last loans, the absence of all sinking fund when it would have been the most necessary, and their concurrence of railway bonds, have placed our public funds in a difficult situation. But on the one hand the classification of the Rentes, which must be the work of time, is now far advanced; since 1854, the period of the first loan, the Treasury alone has purchased for the account of the departments for more than 400,000,000f. On the other hand, until the sinking fund, restored for 1859, can come into operation, the Rentes which may be brought for the dotation of the army will produce a similar effect to 1858. As to railway bonds, as the works advance, the urgent necessities of the companies naturally tend to decrease; their budget for 1858 will be a proof thereof, and, moreover, I trust that measures may be taken to regulate their issue, by agreement between the companies, the Bank of France, and the Government."

The minister finally winds up his report with a declaration that the state of the country is now fundamentally sound and good, and entitled to all confidence and credit.

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### THE FINANCIAL CRISIS IN FRANCE.

THE *Moniteur* of the 11th November published the following letter, addressed by the Emperor to the Minister of Finance:—

"Monsieur le Ministre,—I see with pain that, without any apparent or real cause, public credit is assailed by chimerical fears and by the propa-



gation of *soi-disant* remedies for an evil which only exists in the imagination. In preceding years, it must be owned, there were some grounds for apprehension. A succession of bad harvests compelled us to export annually many hundreds of millions in specie to pay for the quantity of corn of which we stood in need, and yet we were able to meet the crisis and to defy the sad predictions of alarmists by a few simple measures of prudence taken momentarily by the Bank of France. How is it, then, that at the present moment it is not understood that a similar measure, rendered still more easy by the law which allows an increase of the rate of discount, must suffice *a fortiori* to preserve to the Bank the specie which it wants, as we are in a much better condition than we were in last year, having had an abundant harvest and a most considerable metallic reserve in the Bank?

"I therefore beg of you publicly to deny all the absurd projects attributed to the Government, the propagation of which so easily causes alarm. It is not without some pride that we may state that France is the country in Europe where public credit rests on the broadest and on the most solid basis. The remarkable report you addressed to me thereon is the proof thereof. Give heart to those who are vainly alarmed, and assure them that I am firmly resolved not to employ those empirical means which have only been had recourse to in circumstances, happily so rare, when catastrophes beyond human foresight have befallen the country.

"May the Almighty have you in his good keeping,

"NAPOLEON.

"Palace of Compiègne, Nov. 10."

The *Moniteur* also published the following decrees :—

"The decree of the 22nd of September, 1857, is revoked (*rapporté*) as regards the prohibition of the export of grain and flour, potatoes and vegetables (*légumes secs*), chestnuts, and the flour of the same.

"The decree of the 26th of October, 1854, which prohibits distillation from corn and from any other farinaceous substance used as food, is revoked (*rapporté*).

"The distillation from corn or from any other farinaceous substance used as food must be so managed that the residue thereof may be used as food for cattle.

"Any disregard of the above regulations may lead to a prohibition to distil from farinaceous substances.

"The decrees of the 11th of February and the 30th of July, 1857, are also revoked (*rapportés*) as regards the distillation from rice and foreign grain."

### THE ROYAL BRITISH BANK.

A MEETING was held on the 11th November, at the Guildhall Tavern, in pursuance of a circular suggesting that the shareholders should then meet to take into consideration the propriety of subscribing the sum necessary to carry out an arrangement under which the creditors had consented to accept 6s. 6d. in the pound, in addition to 10s. in the pound accruing from the estate.

After considerable discussion, Mr. R. P. Harding, the official manager, said the sum required was £180,000. Of this £85,000 had been subscribed; and, without referring to other shareholders, there were 69 who held 519 shares, from whom no offer whatever had been received. Steps had been taken to ascertain the names of these parties, and it was calculated that a



sum of £113,000 could be obtained from them. It was suggested that Mr. Gillott, Mr. Mitchell, Mr. R. P. Harding, and other gentlemen, should retire into a separate room and receive proposals. At the termination of these interviews, Mr. Harding reported that, in addition to the £85,000 already referred to, £27,000 had been promised by former shareholders, £4,000 by Mr. Stapleton, the only director who had as yet subscribed, and £11,700 by the 69 shareholders to whom reference had been made. This made the amount £107,700 out of the required £180,000, and Mr. Harding expressed himself as having no doubt that the required amount could be got.

Mr. Pearse said he felt, after this, that the assignees were in a position to deal with every individual shareholder as his case required, and that there should be no delay in prosecuting their claims upon shareholders who had not as yet contributed.

Mr. Linklater observed that the £27,000 promised by the original shareholders was conditional upon the other shareholders making up the required £180,000. The assignees would give a release to a shareholder who they felt had contributed according to his ability, but they would never allow a man to escape by payment of £500 when he ought to pay £5,000. While there were shareholders who had not contributed anything, there were others who had not contributed their due portion.

It was ultimately unanimously resolved that Mr. Harding should communicate with shareholders who had not subscribed, stating to each the amount that would probably secure him a release, and urging him to return an answer within seven days as to his willingness to pay that amount; and that Mr. Robert Taylor (one of the assignees), and Messrs. Gillott and Mitchell, two of the shareholders, assist him in carrying out the resolution.

It was stated during the proceedings that Mr. Brookwell, who had succeeded in obtaining the removal of his name from the list of contributors, had still proposed to pay a sum to obtain a release.

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Thursday the 26th November having been appointed for the adjourned examination before Mr. Commissioner Holroyd, at the Court of Bankruptcy, of the directors of the Royal British Bank, there was a large attendance of parties interested.

Mr. Linklater, who appeared for the assignees, said, in consequence of the anxious desire of the assignees to abstain from doing anything to prejudice the case of the gentlemen about to be put on their trial, they had come to the conclusion to ask for an adjournment. His honour was probably aware that, upon the application of Mr. Stapleton and Mr. Cameron, the trial had been postponed, and it therefore would not come on until the beginning of February. Lord Campbell had intimated that in all probability a month would be required for the trial, and he did not think he was far out, unless in the meantime some arrangement was made as to agreeing to the accounts, so as to shorten the time of the Court. An adjournment, therefore, had better be taken until an early day in March.

Mr. Freshfield, on behalf of Mr. Stapleton, in consenting to an adjournment, said Mr. Stapleton wished to have as little delay as possible, and there was only a question as to the books and papers. The time had now come when it was necessary for his client to see the books and papers of the bank, an inspection of them being necessary for preparing his defence upon the trial.

Mr. Linklater said he was ready at all times to allow Mr. Freshfield to



see any books which he required, and was always ready to do so under his supervision.

Ultimately it was agreed that every facility should be given Mr. Stapleton for the inspection of books, and the Commissioner thought the adjournment a proper one.

Mr. Mason, for three of the directors, Messrs. Gillott, Butt, and Hurst, said that Messrs. Cooper and Stevens had filed the balance-sheet of his clients above two months, and they had only been directors for one month. He, therefore, called attention to the hardship of not allowing these gentlemen to pass.

Mr. Linklater said he would have consented to the application had not Mr. Lee, the official assignee, required further time to examine the balance-sheet; he intimated that no doubt alterations would be required in the accounts of the other five directors.

Mr. Mason did not press the matter further, and the examination of Messrs. Gillott, Butt, and Hurst, was also adjourned.

Mr. Linklater said no doubt the creditors present would like to have a statement of the present position of affairs. The declaration of a final dividend would not have been delayed but for two causes; one, that the Welsh works had not hitherto been realised; and another, that Messrs. Rigby, who were alleged to be debtors for £16,000, had paid that money into the Court of Chancery and filed a bill against the assignees. The assignees had hoped that suit would have been settled by this time, but Messrs. Rigby had obtained leave to amend their bill, and had also furnished the assignees with long interrogatories. With respect to the Welsh works, one of the assignees had taken immense trouble with them—had gone down to Wales, and he hoped that day the sale would be completed under very advantageous circumstances, and the estate thereby augmented. With respect to the proposed compromise of 6s. 6d. in the pound with the shareholders, there was (he was informed by an assignee in Court) every prospect of its being carried out. A meeting had taken place and a committee, consisting of two shareholders and one of the assignees, formed to make personal application to the shareholders, and he was told that half of the £180,000 had been subscribed. They, therefore, he had confident expectations, would be relieved of the necessity of relieving the shareholders of their liability piecemeal. He hoped in the course of another month the creditors' hearts would be gladdened by their receiving the dividend, and an absolute release given to the shareholders.

Mr. Lawrance, who represented a large body of shareholders, also expressed a confident expectation of the proposed arrangement being carried out, and dilated upon the necessity of personal application to the shareholders. As an instance of the benefit of personal application, he mentioned that one of his clients—a shareholder—had offered to subscribe £1,000 as the utmost of his means; but, acting under his (Mr. Lawrance's) advice, he had agreed to seek the assistance of his friends and make it £2,000. He hoped this arrangement would be carried out, that shareholders who had sought refuge in foreign countries would be enabled to return to their homes, and that £180,000, or a large amount nearly approximating thereto, would be subscribed and handed over to the assignees, that, together with the dividend declared by this Court, the creditors would receive a better dividend than they would under the estates of ninety-nine in a hundred failing firms (hear, hear).

An adjournment was ordered until the 5th of March, at eleven o'clock, the directors' "protection" being formally renewed until that day.



In the Court of Queen's Bench, on the 20th and 21st November, Sir F. Kelly and Mr. D. Seymour obtained rules calling upon the Crown to show cause why the trial of the directors should not be postponed for some time, in consequence of the impossibility of the defendants being prepared by the next sittings of the Court.

On the 26th November, Mr. Welsby, on behalf of the Crown, said, it devolved on him to inform the Court that, though in the affidavits of Mr. Stapleton and his attorney, Mr. Freshfield, there were many statements that were open to exception, still, as both these gentlemen had pledged their oaths that Mr. Stapleton could not be prepared to take his trial at the next sittings, it had been thought that this was a case in which it would not be proper to make any affidavits in reply. He was, therefore, ready to consent, on the part of the Crown, that the rules should be made absolute that the trials should be adjourned.

Lord Campbell said he thought good advice had been given to the Crown, and that the proper course had been taken. It was desirable that the trial should take place as soon as it could satisfactorily; but in a case where gentlemen of respectability said they could not be ready for the trial at the time which would be appointed, his Lordship thought that, looking at the nature of the case, there might be some reasonable ground for complaint if the trial were pressed on. From the nature of the trial it must necessarily be of great length; and if it were to begin only on the 9th of December, it might not be over before the time allotted for trials should expire, and it might go on till the second period of Christmas arrived. Whereas, if it took place after Hilary Term, it might commence immediately after term, and the judge who presided would have a full month before him (laughter) for the trial of the cause, and so it might be brought to a satisfactory conclusion. His Lordship thereupon directed that the trials should be postponed.

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## THE SUSPENSION OF THE BANK ACT.

(From the *Economist*.)

No one who examines the Bank returns made up to Wednesday night, and who has any knowledge of what was taking place on Thursday morning, can have any doubt that the letter from the First Lord of the Treasury and the Chancellor of the Exchequer to the Bank of England, suspending the operation of the act of 1844, was issued just in time to save a great national calamity, and the irretrievable destruction of many private fortunes. Let us, in the first place, examine what changes had taken place in the condition of the Bank during the week which ended on Wednesday night; and in the next place, let us compare the relative position of the Bank now, and that in which it stood in 1847, when circumstances were adjudged by the Government of the day to be sufficiently grave, even without any precedent, to suspend the act, and which course may be considered subsequently to have received the tacit ratification of Parliament.

In the first place then, the following figures, which are taken from the returns made up to Wednesday night, the 4th instant, and those made up to the evening of the 11th, speak for themselves in terms the import of which cannot be misunderstood:—



## BANK RETURNS.

	Nov. 4, 1857.	Nov. 11, 1857
Total bullion .. .. .	£8,498,000	£7,171,000
Reserve of notes in the banking department ...	2,155,000	957,710
Ditt) of coin ... ..	550,720	504,443
Public deposits ... ..	4,871,944	5,314,659
Other deposits ... ..	11,910,670	12,935,344
Government securities ... ..	10,120,104	9,444,828
Other securities ... ..	22,628,251	26,113,453
Circulation of notes ... ..	21,080,000	21,036,000

These returns show a reduction in the bullion of £1,327,000, in the reserve of notes of £1,197,290, and in the reserve of notes and coin together of no less than £1,243,567; and this notwithstanding the sale during the week of Government securities to the amount of £675,276. But the most remarkable feature is the enormous increase of private securities, which amounts to no less than £3,485,202, showing that that sum, in addition to all the receipts from bills and loans falling due, had been advanced to the public within the week. Making a fair calculation, it seems certain that the advances from the Bank to the public in loans and discounts during the week must have exceeded £5,000,000.

From these figures it is apparent that on Wednesday night the entire reserve of the Bank of England, including the twelve branches in London and in different parts of the country, amounted to £957,710 of notes and £504,443 of coin, while the deposits amounted to no less than £18,250,000. This was the position in which the Bank began business on Thursday morning. The steps which had been wisely taken by the Bank had been effectual for some days in stopping the foreign drain. But internal discredit and the consequent hoarding of money on the one hand, and the withdrawal of gold from the Bank of England for Scotland and Ireland, as also of notes for the purpose of strengthening the reserves of country bankers in England, on the other hand, continued without abatement. In the early part of the morning stock was sold to the extent of nearly £500,000 on account of Scotch, Irish, and country bankers, with a view of obtaining gold and notes, and the demand upon the Bank for discount by persons of undoubted credit and upon undoubted securities was even greater than it had been the day before. It is said, and we have reason to believe with truth, that a single firm applied for and obtained early in the day discounts to the amount of £750,000; and we believe it is a matter of fact that in no instance did the Bank refuse to discount any bill which it would have taken in the easiest times. But as a consequence of these united transactions upon the unprecedented small reserve with which the business of the day was commenced, it must be certain that the notes and coin were reduced early in the day to a point at which it could neither be safe nor prudent to allow the huge transactions of the Bank to rest. We have no means of knowing the lowest point to which the reserve was reduced, but it is more than probable that it did not exceed one-half even of the small amount at which it stood in the morning. Under such circumstances it would have been the gravest error on the part of the Government to have hesitated for another hour to suspend the act, and thus to save the Bank and the country from the inextricable confusion to which all would have been exposed, if, as appeared almost certain, a forced in place of a voluntary suspension had occurred.

Throughout this trying crisis the directors of the Bank of England have conducted their affairs with the greatest discretion, courage, and considera-



tion for the public. Acting firmly upon the soundest principles, they did not shrink from raising the rate of interest to a point sufficiently high to check, and finally entirely to counteract the foreign drain. By this policy the country has been protected against the severe struggle which was going on between different countries for the precious metals. And it was by this wise and far-sighted policy only that the directors were enabled to continue to aid with so liberal a hand the requirements at home. It is said, and we have reason to believe with truth, that in four days of the present week, from Monday morning to Thursday night, the advances made by the Bank to the public exceeded £5,000,000, which would have been quite impossible if, by keeping the rate of interest lower, the foreign drain had continued. We may rest assured that it was only the advance to 10 per cent. that enabled the Bank directors to afford such ready and complete aid to meet the internal discredit and panic which have existed for many days past, and which still are not entirely subdued.

But let us now compare the state in which the Bank stood on Wednesday night with that in which it stood in October, 1847, when by common consent it was deemed necessary to suspend the act. And it is well here to observe that so entirely was the necessity of that step acquiesced in that no one that we are aware of, from Sir Robert Peel himself through the entire rank of the sternest supporters of the act, ever ventured publicly to challenge the course taken by Lord John Russell and Sir Charles Wood at that perilous moment. The comparison of the two periods is as follows:—

BANK RETURNS FOR 1847 AND 1857.

	Oct. 23, 1847.	Nov. 11, 1857.
Bullion ... ..	£8,313,000	£7,171,000
Reserve of notes in banking department	1,547,000	957,710
Reserve of coin ... ..	447,000	504,443
Deposits, private ... ..	8,580,000	12,935,000
Private securities ... ..	19,467,000	26,115,000

At the close of business on Wednesday night last the amount advanced by the Bank to the public was £26,115,000, as compared with £19,467,000 at the height of the panic in 1847. These additional advances were rendered possible in a great degree by the enormous amount of private deposits placed in the Bank, which on Wednesday last amounted to £12,935,000 against £8,580,000 in 1847, being an increase of liabilities under this head of no less than £4,355,000. But against this increase of liabilities how did the reserve of the Bank stand? The bullion on Wednesday night was less by £1,142,000; the reserve of notes was only £957,000 against £1,547,000 in 1847; and the entire reserve of notes and coin together was less by £532,000. Whatever reasons, therefore, there were in 1847 for the policy then adopted, the reasons for taking a similar course on Thursday were much stronger—and it will be impossible for any one who acquiesced in that course at the former period consistently to object to it now.

But, indeed, the crisis had become so serious, and a dead lock was so imminent, that no portion of the press has denied that something had become necessary to restore confidence; but only two alternatives have been suggested as being preferable to the suspension of the Act. An able contemporary says:—"If the discount houses and any of the joint-stock banks apprehended a withdrawal of their deposits to an extent to cause public inconvenience, it was their business to make common cause to guarantee each other's safety, and, if any nominal or contingent sus-



pension were necessary, to bear the discredit of it themselves, and not to inflict it on the Bank of England and the country. They could have announced to the public that, a run being threatened, they had combined to mitigate its consequence; that, not being able to foresee its possible extent, they had agreed to suspend for the moment any return of deposits, and that to meet the difficulty they would issue their promissory notes at three months, bearing nine per cent. interest, and secured by their common liability. A meeting of all the principal bankers and merchants, including the governors and directors of the Bank of England, might have expressed approval of the wisdom of their course, and before a few weeks had passed these notes would have been at a premium." And again:—"There was, however, an alternative which, although equally unjust in being an act of Government relief for which there was no true claim, would still have prevented a sacrifice of principle. An issue of £1 notes could have been adopted without any infringement of the doctrines on which the Bank Charter Act is grounded. The fact that the permission for the circulation of such notes terminated in 1829 is not material, as the law could have been set aside on one point as easily as on another. This plan, however, seems not even to have been considered."

The first of these alternatives is simply a proposal for certain banks, though perfectly solvent, to suspend payment, and to offer depositors their promissory notes at three months for their money. This would have been to imitate in the worst form the course of some of the American banks, which has been so justly and so ably commented upon by our contemporary. Again, it does not follow, though banks might so far have disregarded their obligations to pay "at call" as to make such a proposal, that depositors would have been found willing to have accepted bills at three months, which they did not require, in place of cash, of which they stood in need. But, be that as it may, we are confident that few will be found who would not prefer an inroad upon a mere arbitrary limit to the issues of the Bank of England, maintaining specie payments as rigidly as ever, to a suspension of payment on the part of banks having ability enough to pay their debts.

With regard to the other remedy suggested, the issue of £1 and £2 notes, which we have reason to believe was well considered, we are entirely agreed that it would, if it had been practicable, have been a more perfect remedy than a further license to issue notes of £5 and upwards, inasmuch as notes of a lower denomination would have answered all the purposes of gold coins, both in England and Scotland, and thus have led to the return of large quantities of bullion to the Bank of England much sooner than it will otherwise take place. In the first place, however, that course would have equally been a suspension of the Act of 1844; for that act prescribes a limit to the paper circulation of the Bank, and it would have made no difference in what denomination of note an excess of that limit took place. But, in the next place, the issue of £1 and £2 notes was simply an impossibility. No plates were ready, and no preparation had been made; and before the mere physical difficulties could have been removed the remedy might have been too late. In principle, however, an issue of such notes would have been exactly the same as the measure which has been adopted.

Upon the suspension of the Act in 1847, there were no doubt many grounds for criticism of the conduct of the Bank directors which cannot be alleged upon this occasion. It was justly said then that the directors, disregarding the signs of the times, had not only failed to increase the rate of interest soon enough or sufficiently, but that at one time, in the face of a



severe drain, they actually reduced the terms for advances. In 1847, when the bullion was reduced in April to £9,867,000, the rate of discount was only then raised to 5 per centum, at which it stood till the 7th of August, when it was raised to 5½ per cent., at which it stood until the bullion was reduced to £8,430 000 in the week when the act was suspended; and then for four weeks it was raised to 8 per cent. Contrast with this course of proceeding the conduct of the directors in the present year. With the exception of a few weeks the rate of discount has ranged from 6 to 10 per cent., without any suggestion from the Government. On the 10th of October, with the bullion at £10,110,000, the rate of discount was 6 per cent. :—when it fell to 9,524,000, the rate was raised to 7 per cent., subsequently to 8 per cent., then to 9 per cent., and, finally, to 10 per cent. Indeed we are not aware of any point upon which, even in looking back upon the past, and with the knowledge which experience has given, an unfavourable criticism could be passed upon the policy of the Bank directors. They have combined in an admirable manner firmness and sound principle with the utmost liberality and courage.

Finally, we must protest against this step on the part of the Government, justified by the circumstances of the moment, being regarded in the slightest degree as a concession to the views either of those who believe in the efficacy of a paper circulation to supply indefinitely the place of capital, or of those who think it the duty of the Government to secure to the country what is called "cheap money." Those who contend for an indefinite issue of paper money and those who believe in the possibility of its extension at the will or by the uncontrolled power of the issuers, even while the principle of convertibility is maintained, we would earnestly entreat to examine the accounts now published. By those accounts they will find that the notes in circulation on the 4th instant were £21,080,000, and that, notwithstanding between that day and the 11th the Bank had increased its advances by no less than £3,485,202, the notes in the hands of the public after all the extraordinary transactions of the week were still only £21,036,000, and we will venture to predict that the step now taken, by which the issue of notes is uncontrolled, except by the obligation of convertibility, will not add in any sensible degree to the amount in circulation before the Government letter was issued. As to the advocates of what is called "cheap money," it is enough to remind them that the concession is accompanied by a condition that the rate of discount shall be continued at 10 per cent.; that is, the rate which has been found sufficient to subdue the foreign drain, and thus indirectly render money more abundant for home purposes. In short, the whole effect of the suspension of the act is to remove an arbitrary limit placed upon the Bank by the act of 1844, without in the slightest degree releasing it from the obligation of cash payments, whether for its notes or its deposits, but placing it in point of fact in the same position as it stood under the act of 1819, and in which the Bank of France stands, with so much sense of the obligation of maintaining a sufficient amount of specie in order to secure cash payments under any possible circumstances, that it is always prepared to make great sacrifices in order to preserve a sufficient amount of bullion. The same obligations will now rest upon the Bank of England, even under the suspension of the act of 1844.

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## THE FINANCIAL CRISES 1847 AND 1857.

ANNEXED are copies of the correspondence which took place between the Governments and the directors of the Bank of England at these eventful periods.

"Downing Street, Oct. 25, 1847.

"Gentlemen,—Her Majesty's Government have seen with the deepest regret the pressure which has existed for some weeks upon the commercial interests of the country, and that this pressure has been aggravated by a want of that confidence which is necessary for carrying on the ordinary dealings of trade.

"They have been in hopes that the check given to transactions of a speculative character, the transfer of capital from other countries, the influx of bullion, and the feeling which a knowledge of these circumstances might have been expected to produce, would have removed the prevailing distrust.

"They were encouraged in this expectation by the speedy cessation of a similar state of feeling in the month of April last.

"These hopes have, however, been disappointed, and Her Majesty's Government have come to the conclusion that the time has arrived when they ought to attempt by some extraordinary and temporary measure to restore confidence to the mercantile and manufacturing community.

"For this purpose they recommend to the directors of the Bank of England, in the present emergency, to enlarge the amount of their discounts and advances upon approved security; but that, in order to retain this operation within reasonable limits, a high rate of interest should be charged. In present circumstances they would suggest that the rate of interest should not be less than 8 per cent.

"If this course should lead to any infringement of the existing law, Her Majesty's Government will be prepared to propose to Parliament, on its meeting, a Bill of Indemnity.

"They will rely upon the discretion of the directors to reduce as soon as possible the amount of their notes, if any extraordinary issues should take within the limits prescribed by law.

"Her Majesty's Government are of opinion that any extra profit derived from this measure should be carried to the account of the public, but the precise mode of doing so must be left to future arrangements.

"Her Majesty's Government are not insensible to the evil of any departure from the law which has placed the currency of this country upon a sound basis; but they feel confident that, in the present circumstances, the measure which they have proposed may be safely adopted; and that, at the same time, the main provisions of that law and the vital principle of preserving the convertibility of the bank note may be firmly maintained.

"JOHN RUSSELL,

"CHAS. WOOD.

"The Governor and Deputy-Governor of the  
"Bank of England."

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(Copy of reply.)

"Bank of England, October 25, 1847.

"Gentlemen,—We have the honour to acknowledge your letter of this



day's date, which we have submitted to the Court of Directors, and we enclose a copy of the resolutions thereon.

"JAMES MORRIS, Governor.

"H. J. PRESCOTT, Deputy-Governor.

"To the First Lord of the Treasury and  
the Chancellor of the Exchequer.

"Resolved,—That this Court do accede to the recommendation contained in the letter from the First Lord of the Treasury and the Chancellor of the Exchequer, dated this day, and addressed to the governor and deputy-governor of the Bank of England, which has just been read.

"That the *minimum* rate of discount on bills not having more than 95 days to run be 8 per cent.

"That advances be made on bills of exchange, on stock, Exchequer-bills, and other approved securities, in sums of not less than £2,000, and for periods to be fixed by the governors at the rate of 8 per cent. per annum."

THE FINANCIAL CRISIS OF 1857.

The following letter was addressed on the 12th of November, 1857, to the Governors of the Bank of England:—

"Downing-street, November 12.

"Gentlemen,—Her Majesty's Government have observed with great concern the serious consequences which have ensued from the recent failure of certain joint-stock banks in England and Scotland, as well as of certain large mercantile firms, chiefly connected with the American trade.

"The discredit and distrust which have resulted from these events, and the withdrawal of a large amount of the paper circulation authorised by the existing Bank Acts, appear to Her Majesty's Government to render it necessary for them to inform the Bank of England that if they should be unable in the present emergency to meet the demands for discounts and advances upon approved securities without exceeding the limits of their circulation prescribed by the act of 1844, the Government will be prepared to propose to Parliament upon its meeting a bill of indemnity for any excess so issued.

"In order to prevent this temporary relaxation of the law being extended beyond the actual necessities of the occasion, Her Majesty's Government are of opinion that the bank terms of discount should not be reduced below their present rate.

"Her Majesty's Government reserve for future consideration the appropriation of any profit which may arise upon issues in excess of the statutory amount.

"Her Majesty's Government are fully impressed with the importance of maintaining the letter of the law, even in a time of considerable mercantile difficulty, but they believe that for the removal of apprehensions which have checked the course of monetary transactions such a measure as is now contemplated has become necessary, and they rely upon the discretion and prudence of the directors for confining its operation within the strict limits of the exigencies of the case.

"We have, &c.,

"PALMERSTON.

"G. C. LEWIS.

"To the Governor and Deputy-Governor  
of the Bank of England."

The Governor and Deputy-Governor of the Bank transmitted to the



Government the following resolution of the Court of Directors in reference to the letter of Thursday :—

"At a Court of Directors at the Bank, on Friday, the 13th November, 1857, resolved—

"That the Governors be requested to inform the First Lord of the Treasury and the Chancellor of the Exchequer, that the Court is prepared to act in conformity with the letter addressed to them yesterday."

(Signed)

"JOHN BENTLEY,  
"Secretary."

## **Banking and Commercial Law.**

### **ON THE LAW RELATING TO THE SUSPENSION OF PAYMENT BY MERCANTILE FIRMS.**

At the present time it may be useful to review those modes by which the law enables traders, who are unable to meet their engagements, to arrange with their creditors. Formerly there were but two modes open to parties in such circumstances, one was bankruptcy, and the other was some arrangement to which all the creditors consented. The first of these had many disadvantages, and the other was generally impracticable. By the "Bankrupt Law Consolidation Act," which passed in the year 1849, a vast improvement was made in the law, and a new system was introduced peculiarly adapted to do justice between large mercantile firms and their creditors, in times of commercial pressure or panic.

Although the act introduces more than one improvement into the law in this respect, we propose here to consider that mode by which a debtor and the majority of his creditors can bind the minority to accept terms short of payment in full on the one hand, or of bankruptcy on the other.

By the act referred to, it is provided that any trader unable to meet his engagements with his creditors, and desirous of laying the state of his affairs before them, under the superintendence and control of the Court of Bankruptcy, and of submitting himself to the jurisdiction of the court, may present a petition to the court, setting forth the true cause of such inability, and praying that his person and property may be protected from all process until further order; and the court, on such petition, shall have power to grant such protection, and may renew the same from time to time as it shall think fit; and forthwith after the granting of any order for protection, the court shall appoint a private sitting to be held at such time and place as it may name, and notice of such private sitting



is to be given to the creditors fourteen days before the same is held. The debtor is then to file his accounts; and his proposal for arranging in time to be considered at such meeting. When the meeting is held, if three-fifths in number and value of the creditors shall assent to the proposal, or to any modification thereof, the court shall appoint another sitting to confirm the same; and if three-fifths in number and value of the creditors at the second sitting shall assent to the proposal, it shall become binding. Pending these proceedings, an official assignee is to be appointed, and the estate is to be protected; and the act provides other details necessary to carry the object into effect.

In a case under this act, the debtor neglected to file his accounts, and the court in consequence refused to adjourn the first sitting, and dismissed the petition: see 28 *Law Times*, 178. So where notice was not given to the creditors (*re Deeks*, 28 *Law Times*, 222) the certificate, if granted, will not bind a creditor who has not had notice: *Messon v. Alcard*, 22 *Law Journal*, Ex. 43. Where the commissioner has decided that a proposed arrangement is not a proper one, the Court of Appeal will not interfere with his discretion, unless a very strong case be made to show that such discretion has not been reasonably and prudently exercised: *Ex parte Syers*, 3 *Jurist*, N.S. 6.

If circumstances render it desirable that the petition should be dismissed, this may be done with the consent of the creditors: 4 *De Gex*, M. & G. 872.

It will thus be seen that a very reasonable and practicable system has been formed, by which honourable men who can satisfy the bulk of their creditors of the rectitude of their conduct may avoid the publicity and annoyance of a bankruptcy, and may obtain protection against the obstinate or extortionate conduct of a few dissatisfied persons.

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#### THE ESTATE OF MESSRS. NAYLOR, VICKERS, AND CO.

A MEETING of creditors of Messrs. Naylor, Vickers, and Co., steel manufacturers and iron merchants, whose suspension was announced on the 5th November, was held on the 24th at Sheffield, when it was resolved to accept payment in full in four instalments, with interest at the average Bank of England rate. Full confidence was expressed in the integrity and abilities of the partners, and it was decided that no control should be exercised over them, but that they should be left with the free management of their affairs. In the accounts presented to the meeting the liabilities are stated to be £364,287, and the assets £569,934, showing a surplus of £225,647, in addition to which the private estates of the firm are estimated at £30,000 to £40,000.

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## THE ESTATE OF MESSRS. W. AND H. BRAND.

A MEETING of the creditors of Messrs. W. and H. Brand, lately engaged in the West India and American trade, was held on the 11th November, when the following statement was presented by Mr. G. H. Jay, the accountant:—

*Statement of Affairs, October 26, 1857.*

<i>Dr.</i>			
To sundry creditors on open accounts	...	£5,920 12 3	
Rent and salaries	... ..	71 5 0	
			£5,991 17 3
Creditors on bills payable, as per statement	... ..	161,669 9 3	
Less amount which it is expected will be retired by drawers	... ..	88,487 10 7	
			76,181 18 8
Creditors fully secured, as per statement	... ..	11,960 17 7	
Amount of securities held	... ..	20,788 15 9	
Balance—Surplus carried to contra	...	8,827 18 2	
Liabilities on bills receivable	... ..	319,169 18 2	
Amount expected to be brought against this estate, inclusive of Dennistoun and Co.'s acceptances, amounting to	...	59,577 2 9	
West Bank of Scotland ..	... ..	60,000 0 0	
City of Glasgow Bank ...	... ..	20,000 0 0	
			153,577 2 9
Liability to Rake, Kimber, and Co., Middlesborough-on-Tees, on a contract for building an iron paddle steamer, on account of G. P. Watson, of Demerara, amount of contract	...	8,750 0 0	
Less first instalment, paid on account...	...	2,150 0 0	
Considered good...	... ..	6,600 0 0	
			235,750 18 8
Deduct creditors under £20 each	... ..		226 6 6
			<u>£235,524 12 2</u>
<i>Cr.</i>			
By cash on hand, viz., at London Joint-Stock Bank	... ..	£58 18 2	
In the house	... ..	1 14 3	
			£60 12 5
Bills receivable in hand...	... ..	18,328 2 9	
Estimated to be of the value of	... ..		14,045 12 2
Sundry debtors, considered good	... ..		12,093 15 8
Considered bad	... ..	55,920 10 3	
Surplus security held by creditors	... ..	8,827 18 2	
Estimated to produce	... ..		3,000 0 0
Sundry property	... ..		95 19 7
Surplus of private estates of the partners	... ..		1,268 0 0
			<u>£30,563 19 10</u>
Carried forward	... ..		



	Brought forward	..	£30,563	19	10
Deduct creditors under £20 each	...	...	226	6	6
Total	...	...	£30,337	13	4
Deficiency carried forward	...	...	205,186	18	10

*Statement accounting for deficiency from 1st January, 1857, to 26th October, 1857.*

*Dr.*

To balance brought over, being deficiency brought from statement of affairs	...	...	...	...	£205,186	18	10
To partners' capital:—							
At credit of Wm. Brand...	...	...	£4,587	10	4		
At credit of R. T. Brand	...	...	6,214	15	6		
						10,802	5 10
To profits, 1857, viz.:—							
Commissions	...	...	3,549	1	8		
Discounts	...	...	384	17	0		
Interest	...	...	458	10	10		
Sundries	...	...	175	0	3		
			£4,567	9	9		
Less:—							
Charges	...	...	£487	19	7		
Loss per Tyne	...	...	460	0	0		
Discount on bills	...	...	588	9	5		
Insurance	...	...	141	10	9		
Interest	...	...	220	12	11		
Law charges, say...	...	...	50	0	0		
			£1,948	12	8		
						2,618	17 1
Total	...	...	...	...	...	£218,608	1 9

*Cr.*

By balance at debit of J. G. Garner, but subject to the liquidation of his affairs	...	...	...	...	£55,903	11	7
Anderson and Smith—bad debts	...	...	...	...	16	18	8
Bad liabilities, as per statement of affairs	...	...	...	...	153,577	2	9
Estimated depreciation in realising securities held by creditors	...	...	...	...	5,827	18	2
Estimated depreciation in realising bills receivable in hand	...	...	...	...	3,282	10	7
					£218,608	1	9

It was explained by Mr. Reece, the professional representative of the firm, that their embarrassments have arisen from a connection with Mr. Garner, of New York, who, although previously in very prosperous circumstances, has been brought down through the American convulsion. With respect to the actual condition of the estate, much will depend upon the liquidation of the affairs of the Western Bank of Scotland, the City of Glasgow Bank, and Messrs. Dennistoun and Co. The assets, under the



most favourable view, show about 6*s.* 8*d.* in the pound, but should the liabilities not diminish, the dividend will scarcely exceed 2*s.* 6*d.* Of the drafts of Mr. Garner for about £110,000, about £52,000 will be retired, and with the exception of the facilities afforded that gentleman no irregular bill transactions whatever have occurred. The firm possess an interest to the extent of £11,000, in the shares of the Demerara Railway, which are not now marketable, and the principal assets consist of the £30,000 exhibited on the face of the accounts. As the partners, owing to the suspension of Messrs. Dennistoun and the Western Bank of Scotland, are not in a position to make any proposal, they desired to place themselves entirely in the hands of their creditors, surrendering for their benefit every fraction of property. After some discussion, a proposal to wind up under inspection was generally agreed to, a resolution to that effect being carried.

### THE ESTATE OF MESSRS. J. HALY AND CO.

A MEETING of the creditors of Messrs. J. Haly and Co., who recently failed in the American trade, was held on the 12th November, when the following statement was presented by Mr. Quilter, of the firm of Quilter, Ball, and Co., the accountants :—

<i>Dr.</i> STATEMENT OF AFFAIRS, OCT., 28, 1857.				
To sundry creditors, as per list fo. 6...	...	...	£30,264	13 2
To creditors partially secured, as per list, fo. 11—				
Amount of claim ... ..	...	£5,667	16 2	
Value of security ... ..	...	5,408	7 2	
Deficiency ... ..	...			259 9 0
To creditors fully secured, as per list, fo. 12—				
Estimated value of security ...	...	£6,300	0 0	
Amount of claim ... ..	...	2,962	9 7	
Surplus carried to credit ... ..	...	£3,337	10 5	
To liabilities on endorsements, as per list, fo. 14—				
Considered good ... ..	...	£20,974	12 6	
To liabilities on acceptances, as per list,				
fo. 16 ... ..	...	43,233	4 11	
Considered bad—Jacot, Taylor and Co.	...	6,678	4 4	
R. H. Brett ... ..	...	10,306	16 4	
				16,985 0 8
				<u>£47,509 2 10</u>
<i>Cr.</i>				
By cash balance in house ... ..	...	£216	1 3	
" at Bank of England ... ..	...	33	14 8	
				249 15 11
By sundry debtors, as per list, fo. 23—				
Considered good ... ..	...	...	...	14,601 7 1
Considered bad ... ..	...	£7,906	18 5	
Considered doubtful ... ..	...	£3,028	7 0	
Estimated at ... ..	...	...	...	1,000 0 0
Carried forward ... ..	...	£15,851	3 0	



	Brought forward	...	...	£15,851	3	0	
By bills receivable as per list, folio 24—							
Considered good	...	...	...	2,146	2	9	
By consignment of railway iron to New York, in the hands of T. Dehon, of New York, and on joint account with him:—							
Our half net proceeds of 2,355 tons 7 cwt., remaining unsold estimated at	...	...	...	9,000	0	0	
By shares in vessels:—							
4-64ths of "Pride of Canada," cost, May, 1855	£1,167	15	3				
4-64ths of "Queen of the Lakes," cost, Sept., 1855	...	877	2	11			
Valued at	...	£2,000	0	0			
Mortgages held by by T. Dehon, New York, for our account, with power of sale, viz. :—							
3-16ths of " Ellwood Walker," dols. 12,000, supposed total value	£11,000	...	say	£1,500	0	0	
28-64ths of " City of Manchester," supposed total value	£9,000	.....	2,500	0	0		
				4,000	0	0	
					6,000	0	0
By counting-house furniture...	...	...	...	100	6	0	
By surplus securities in hands of creditors, as per contra				3,337	10	5	
By dividends from the estates of Jacot, Taylor and Co. and R. H. Brett. (Should the dividends to arise from our own estate and the estates of these two firms together exceed 20s. in the pound, a benefit will accrue to our estate equal to such excess.)	...	...	...				
				£36,435	2	2	
Less sundry preferential payments, as rents, salaries, expenses, &c.	...	...	...	300	0	0	
				£36,135	2	2	
By deficiency carried forward	...	...	...	11,374	0	8	
				£47,509	2	10	

It was explained that the accounts show a deficiency of £11,374, and that the suspension has been occasioned through the failure of Mr. R. H. Brett, of Toronto, and Messrs. Jacot, Taylor, and Co., of Liverpool. Two years ago the firm possessed capital equal to £19,000, subject to bad debts of about £5,000. The estimate of Mr. Brett's estate, for present purposes, is taken at 6s. 8d. in the pound; but should a dividend of 13s. 4d. be realised, as anticipated in Toronto, the Messrs. Haly and Co. will be solvent. Under any circumstances the assets, consisting of shares in vessels, iron, and book debts, may, it is thought, produce from 10s. to 15s. in the pound. A conversation took place with respect to the course proposed to



be pursued. Some of the creditors appeared to think that an offer of composition would be accepted; but, as it was stated that one of the partners was abroad, a doubt was entertained of a result being immediately arrived at. The suggestion of Mr. J. Linklater, that a liquidation under inspection could at once be proceeded with, leaving the question of arrangement in abeyance until the views of the absent partner were ascertained, was eventually acted upon, and a resolution agreeing to this mode of proceeding was adopted.

#### THE ESTATE OF MESSRS. JAMES SCOTT AND CO.

A MEETING of the creditors of Messrs. James Scott and Co., of Queenstown, shipowners, who suspended a short time since, was held on Thursday, November 19th. Mr. Edmund Burke having been called to the chair, Mr. Jameson, solicitor, laid before the meeting the following statement of the present financial circumstances of the firm.

The total liabilities amounted to £129,376, of which the secured debts were £47,679, leaving a balance of £81,697 unsecured. The available assets amounted to £109,225, which, deducting the secured debts, £47,679, left £61,546 to meet the unsecured debts amounting to £81,697. There thus appears to be a deficit of £20,151. The assets were made up as follows:—ships, and freights due thereon, £53,000; houses, £44,600; other property, £11,625; total, £109,225. The house property is liable to two mortgages, for £10,000 to the Provincial Bank, and £4,000 to a firm in the city, with a contingent mortgage of £5,000 also to the bank. The ships are liable to mortgages of £8,000. The house property is let at an annual rental of £2,570, and includes some of the handsomest parts of Queenstown.

The failure of the firm was stated to have resulted from that of the Liverpool Borough Bank, together with the general pressure of the money-market and the depreciation in the value of shipping.

Mr. Jameson then said he was authorised on the part of Messrs. Scott to submit the following proposition to the meeting:—"That the property should be placed in the hands of trustees, and that the creditors should take acceptance for a composition of 12s. 6d. in the pound, payable in three instalments, at intervals of 6, 12, and 18 months."

The statement was received favourably by the creditors, several of whom declared their entire confidence in the honour and integrity of the firm, inasmuch as one of them suggested that the Messrs. Scott should be permitted to work the concern themselves without the intervention of trustees; but this proposition was at once refused by the Messrs. Scott themselves. A committee of inspection was appointed on the suggestion of Mr. Jameson, with power to employ an accountant to examine the books of the firm and ascertain the correctness of the statement as to their liabilities and assets. Should they report favourably the creditors expressed themselves ready to accede to the proposed arrangement.

#### THE ESTATE OF MESSRS. WILSON, MORGAN, AND CO.

A MEETING of the creditors of Messrs. Wilson, Morgan, and Co., wholesale stationers, of Cheapside, who recently suspended, was held on the 22nd November, when the following statement of their affairs was presented by Mr. H. Chatteris, the accountant:—



**The Estate of Messrs. Wilson, Morgan, and Co. 993**

STATEMENT OF AFFAIRS, NOV. 12, 1857.

<i>Dr.</i>					
To creditors unsecured	...	...	...	£19,325	5 6
Ditto under £10	...	...	...	195	6 10
					<u>£19,520 12 4</u>
Mr. Samuel Smith	...	...	...	£4,520	12 5
Less estimated value of security held by him	...	...	...	2,075	0 0
					<u>2,445 12 5</u>
Creditors partially secured	...	...	...	£1,041	10 5
Less estimated value of securities	...	...	...	656	3 10
					<u>385 6 7</u>
Liabilities on acceptances which should be provided for by the drawers	...	...	...	£1,452	8 9
Of which it is expected there will be proved on this estate	...	...	...	...	...
					<u>351 13 9</u>
Liabilities on bills receivable under discount	...	...	...	20,984	1 3
					<u>£17,062 4 4</u>
Supposed to be good	...	...	...	£3,921	16 11
Expected to be dishonoured	...	...	...	995	14 6
Less cash in the hands of bill holders					<u>2,926 2 5</u>
					<u>£25,629 7 6</u>
<i>Cr.</i>					
By stock and utensils in trade, at cost	...	...	...	£5,005	7 6
Debtors—good	...	...	...	...	...
„ doubtful	...	...	...	£229	14 4
					<u>114 17 2</u>
Taken at 10s. in the pound	...	...	...	...	...
Bad	...	...	...	2,045	13 4
By debt due from Thomas Wilson—bad	...	...	...	5,777	0 9
					<u>£8,822 14 1</u>
By cash in hand	...	...	...	...	...
Estimated value of a printing plant assigned to us for a bad debt	...	...	...	...	...
					<u>67 1 0</u>
					<u>300 0 0</u>
					<u>£9,898 13 11</u>
Less rent, taxes, salaries, &c., to be paid in full	...	...	...	...	...
					<u>400 0 0</u>
(About 7s. 4½d. in the pound)	...	...	...	...	...
Deficiency	...	...	...	...	...
					<u>£9,498 13 11</u>
					<u>16,130 13 7</u>
					<u>£25,629 7 6</u>

The debts and liabilities, it will be perceived, amount to £25,629, and the assets to £9,499, showing a deficiency of £16,130. The affairs of the house appear to have been for some time in a doubtful state, owing to the involvement of the two original partners, Mr. William and Mr. Thomas



Wilson. The first retired three or four years ago, in consequence of some liability incurred through an insurance company, and the second left the firm at a later period, having encountered responsibility in connection with the Royal British Bank. The firm were believed to be solvent in 1854, including a debt due from Australia, for consignments, which has since proved to be bad. When Thomas Wilson retired Morgan assumed that amount with the other assets, and it was agreed to allow Mr. Wilson an annuity, with permission, if he chose, at any time within a certain date, to re-enter as a partner. Mr. H. N. Smith having temporarily joined Mr. Morgan, his father advanced money for the business, and was now secured to the extent of £2,075. The proposal was to pay a composition of 7s. in pound by instalments extending over a period of twelve months, but some of the creditors, including Mr. M'Murray and others, insisted that as the business was valuable a better arrangement should be attempted. Ten shillings, or a settlement under the arrangement clauses of the Bankruptcy Consolidation Act, was the point discussed at some length, and after a consultation among the parties, a kind of compromise in the following shape was agreed to:—

"It was proposed and resolved by the creditors present to accept a composition of 8s. 6d. in the pound, by three equal instalments at three, six, and nine months, from December 1, the last instalment to be secured to the satisfaction of Messrs. M'Murray, Templeton, and Pollock."

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#### THE SUSPENSION OF THE LIVERPOOL BOROUGH BANK.

We announced in our last number the suspension of the Liverpool Borough Bank, which took place on the morning of the 27th October.

On the afternoon of the 10th November, a special general meeting of the shareholders was held at the banking-house, for the purpose of taking into consideration the propriety of the bank being forthwith registered as a company, under the "Joint Stock Banking Companies Act, 1857."

The meeting was held with closed doors, no one except shareholders being permitted to be present, under the regulations of the bank. At the termination of the meeting, the following official memorandum was made public:—

"At a general meeting of the company called the Liverpool Borough Bank, duly summoned in pursuance of the "Joint-Stock Banking Companies Act, 1857," and of the deed of settlement of the said company, for the purpose of obtaining the assent of a majority of the shareholders of the said company present at such meeting to the registration of the company under the aforesaid act, held at the banking-house of the said company, in Water Street, Liverpool, on the 10th day of November, 1857,

"Mr. William Rathbone, chairman of the bank, in the chair; present 103 persons, holding 36,654 shares; and proxies were handed in for 37 persons, holding 21,887 shares,

"It was moved by Mr. J. B. Brancker, and seconded by Mr. Samuel Martin, and carried unanimously:—

"That the banking company called the Liverpool Borough Bank be forthwith registered as a company under the "Joint-Stock Banking Companies Act, 1857."

"On the motion of Mr. H. Killick, it was resolved unanimously,—

"That the thanks of the meeting are due and are hereby given to the



committee of shareholders, for their valuable services; and that they be requested to render their assistance.'

"On the motion of Mr. Brancker, seconded by Mr. John Cooper, it was resolved unanimously,—

“‘That the meeting be adjourned till Thursday, the 12th instant, at 2 o'clock, for the purpose of allowing the company to be registered in the meantime under the “Joint-Stock Banking Companies Act, 1857,” and upon such registration being effected, to receive from the directors a statement of the affairs and concerns of the company, and to take into consideration the propriety of winding up voluntarily under the provisions of the “Joint-Stock Banking Companies Act, 1857,” or of taking such proceedings as may be deemed expedient.’

“WM. RATHBONE, Chairman.

“Liverpool Borough Bank, Liverpool, Nov. 10.”

The following is the substance of the conversation which took place at the meeting, as furnished by one of the shareholders present.

Mr. W. Rathbone opened the proceedings by stating that the directors, at the right time, would be prepared to answer any questions put to them, and that they hoped that when the accounts were produced on Thursday, they would be found satisfactory.

Mr. Brancker, the chairman of the shareholders, explained that the committee of the shareholders, representing very large interests (to the amount, it is said, of £1,000,000), were unanimous in approving the course taken by the directors, and he called upon Mr. Field, of the firm of Sharp, Field, and Jackson, attorneys, London, who had examined the affairs of the bank, to make a statement to the meeting.

Mr. Field explained the advantages to be derived from placing the bank under the operation of the “Joint-Stock Companies Act, 1857,” by which the shareholders and the depositors would be enabled jointly to appoint liquidators, who would have charge of winding up the bank in the way which would press the least severely upon the shareholders, and which would realise the assets as fully as possible for the advantage of the general creditors. He is reported to have stated that the great object in matters of this kind was unanimity and union between all parties concerned, without which this bank might have ended like the British Bank, where all went to law, and the assets were very small compared with what they might have been. He said he had had a great deal to do with various banking establishments, but he had never been connected with one in which the directors came out more honourably from any charge of serving personal interests. The Borough Bank would not lose anything by its directors, or by their relatives or connexions. They had stayed honestly by the bank to the last. In similar cases he had known instances in which directors and others interested had availed themselves of their positions to sell out before pressure came, but in the case of the Borough Bank every director had stuck to the ship, and had used his best endeavours to bring about a satisfactory arrangement.

Mr. J. B. Brancker, in moving the second resolution, stated that, while he did not wish to commit himself to figures, he had been so far able to go into the affairs of the bank as to be in a position to say, that they were looking much more favourable than was expected. He believed that Mr. Banner, the accountant, would pledge himself to this statement without going into figures, which would be before them on Thursday.

Mr. Killick, as a shareholder, thought that every shareholder should feel



greatly indebted to the committee of shareholders for the part they had taken in endeavouring to bring about a satisfactory arrangement.

A question was asked of Mr. Field whether by being placed under this act the shareholders would be relieved from personal arrest.

Mr. Field replied that would be the effect; that the whole matter would be placed in the hands of liquidators, who would be empowered to make such calls as might be deemed requisite, spreading the payments of the debts over the whole body of shareholders who were able to pay, without oppressing one or two persons.

The adjourned meeting of the shareholders took place on the 12th November, at the bank. As, at the previous meeting, none but shareholders were permitted to be present, consequently we are unable to furnish a report of the discussion. We have, however, been furnished with a copy of the official minutes, which are appended:—

"At an adjourned general meeting of the proprietors of the Liverpool Borough Bank, held on the 12th of Nov., 1857, at the bank in Water-street,

"Mr. W. Rathbone, chairman of the bank, in the chair,

"Present—100 persons holding 37,924 shares, and proxies were handed in for thirty-seven persons holding 22,021 shares.

"The minutes of the proceedings at the general meeting, held on the 10th inst., were read and confirmed.

"The chairman mentioned that it was deemed expedient to call another general meeting of the shareholders for the 24th instant, principally for the formal adoption and confirmation of the proceedings of this day, and that notice of such meeting would be issued this evening.

"The directors presented the following report to the shareholders, which was read:—

"Report of the directors to the meeting of shareholders of the Liverpool Borough Bank, held at the bank on the 12th of November, 1857."

"Gentlemen,—Since the last report to the shareholders, at their annual meeting in July, it became apparent to the directors that the position of the bank in respect to losses incurred and capital locked up and unavailable, rendered it impossible to carry on the bank, except at the risk of being suddenly stopped by a run that might at any time ensue from the disclosure of these losses, even if the constant drain on its resources which seemed to have set in did not compel its suspension within a short period. It was therefore decided that it would be the wisest course to seek assistance in London. The state of the money market made it extremely difficult to obtain this assistance, and the bank, after various protracted negotiations, failed to secure it in time to prevent the necessity of closing its doors at the moment when its efforts seemed to be successful.

"It then became the duty of the directors to place themselves in such a position as would satisfy the shareholders, the creditors, and the public, that they were doing everything that could be done for the interests of all concerned. Under the able advice of Mr. Field, whom they summoned from London to their assistance, they called together a large number of shareholders not previously connected with the management of the bank, to assist the directors by their advice and sanction in all the steps necessary and advisable to be taken. The chairman of the committee then formed by these shareholders will inform you more particularly of its proceedings, and the directors would only briefly state that it was further deemed desirable, under the advice of Mr. Field, to summon a meeting of the depositors, who elected a committee, with which the directors and the committee of shareholders have since been in communication.



"Mr. Brancker, chairman of the committee of shareholders, and Mr. Dixon, one of the managing directors, were deputed to go to London and open negotiations with the bill brokers there; the result is, that the London bill holders and a large proportion of the depositors have agreed to accept the terms of payment proposed by the bank, viz., in instalments of six, twelve, eighteen, and twenty-four months, with 7 per cent. interest; and there is every prospect that the remainder of the depositors and the few other bill holders who have yet to be communicated with, will fall in with the terms which so large a majority have already in this short space of time so readily acceded to.

"To provide against the possibility of angry feelings exciting shareholders and creditors to a course of action which, though natural in its motives, might lead to results exceedingly detrimental to the interests of all concerned, creditors as well as shareholders, the directors adopted the suggestion of appointing mediators, who might step in to calm irritation, and to point out the absolute necessity of all parties—shareholders, directors, and officers of the bank—uniting in one general effort of cordial co-operation to make such a settlement with the creditors of the bank as would be most conclusive to the interest of shareholders, whose forbearance in seeking the fullest information that can be afforded is only desired in so far and so long as the exercise of it is absolutely necessary for their own interests.

"Mr. George Holt, Mr. James Robinson, Mr. Edward Moon, and Mr. James Aikin have kindly consented to accept the office of mediators, and the directors have only to express the wish that their kindness in so accepting an onerous duty for the sake of the good results to the welfare of all connected with the bank may be reciprocated as it deserves by the determination to make the call for their good offices as little needed as possible.

"With reference to the pecuniary position of the bank the directors have to state, that more than one-fourth of the capital is gone,—an amount which under the deed renders it imperative upon them to give the shareholders the option of winding up the affairs of the bank, and that three-fourths of the capital is so locked up as to be at present unavailable for banking purposes. These are the only two points that it is essential to state as regards the objects of the present meeting.

"With reference to the general affairs of the bank the directors need hardly state, that it is at all times extremely difficult to arrive at conclusions that will convey reliable impressions as to the probable results of the winding up of matters involving such very large amounts, especially at a time when the varying aspect of the money-market and the occurrence of unexpected commercial difficulties of unexampled intensity bring new elements of embarrassment into play. They consider, however, that they have ground to hope that a portion of the capital may be preserved; the amount so preserved will mainly depend upon the good management and judicious nursing of assets, which the arrangement now proposed will enable those gentlemen to exercise who are about to take charge of the bank's affairs.

"The resolutions which shall be submitted for your adoption have for their objects the voluntary winding up of the bank under and in accordance with the provisions of the Act of 1857, which was framed with the intention of leaving the conduct of affairs in the hands of shareholders themselves, subject only to the interference of the Court of Chancery when it is required to compel an inconsiderable minority of shareholders or creditors to yield to the wishes of a majority, and to arm the company with sufficient



power to enforce on reluctant shareholders a compliance with calls made on them in order to enable the bank to discharge its liabilities.

"The directors are happy to inform you that the registration of the company resolved on last Tuesday is now completed.

"Having thus laid before you a statement of the proceedings of the directors, with reference to the circumstances which have given rise to this meeting, and having indicated the steps proposed to you in the present posture of affairs, the directors beg to refer you to what will be stated by Mr. Brancker, the chairman of the committee of shareholders, and to what Mr. Harwood Banner may wish to say.

"Wm. RATHBONE, Chairman.

"Liverpool Borough Bank, Liverpool, Nov. 12."

Mr. J. B. Brancker, chairman of the shareholders' committee, then presented the following report on behalf of that committee, which was read:—

"The committee of shareholders of the Liverpool Borough Bank, informally appointed, no doubt, but presenting at the time, as has been since eminently proved, the instrument most ready at hand, under all circumstances, best calculated to aid the directors in deciding on such measures as the urgency of the circumstances required, beg to present the following report:—

"After agreeing on a recommendation to the directors to convene a meeting of the shareholders, the committee proceeded to take into consideration the best mode of approaching the creditors of the bank, in which consideration two points of vital importance were involved, the one being the probable successive periods at which assets might be expected to be realised, so as to base thereon some definite proposal, the other as to how long it could reasonably be expected that the creditors of the bank would consent to defer the settlement of their claims.

"After mature deliberation it was decided to recommend the payment in cash of all deposits under £200 so soon as the directors should be in a position to do so, and to offer to all the other creditors of the bank like the bank's promissory notes at six, twelve, eighteen and twenty-four months' date, with interest at the rate of 7 per cent. per annum. Onerous as this latter condition may appear, it was only with great difficulty that a large and influential portion of the creditors could be brought to give their assent to it. That difficulty having, however, been overcome, and a large number, representing in amount nearly three-fourths of the whole, having now acceded to the propositions, it may be fairly assumed that they bear upon them the stamp of reasonableness, both in respect of the creditors and of the shareholders.

"It is further hoped that the unanimity exhibited at the meeting of Tuesday, and the determination evinced to proceed with the liquidation of the bank's affairs in the best possible manner, will not be without its effects in influencing such creditors as have not yet assented to come into the arrangement.

"The sub-committee of the shareholders' committee having had a somewhat more intimate access to the bank's affairs, it may be expected that this report should contain some allusion thereto.

"So far as the shortness of the time they have been able to devote to the inquiry, and their previous utter ignorance as to the real state of the accounts, will admit of their arriving at any conclusion whatever, they venture to express their opinion that of not only of the original capital of the bank, but also of the assets held by them, a considerable portion is so



locked up in various kinds of securities, that much time, great forbearance, and good management will be required to insure their advantageous realisation, and that upon the due combination of these several elements will mainly depend the eventual result as regards the original capital of the bank.

" 'Such being the case, and the bank being about to issue its obligations to its creditors, as before stated, it becomes imperative on the shareholders' committee, in order to insure the punctual fulfilment of those obligations, to recommend to the directors to make a call on the shareholders; indeed, this condition had been already insisted on by the creditors.

" 'They trust, however, that the dates for its payment may be so arranged that, while securing the object which renders it necessary, it may be made to press with as little severity as possible on the shareholders.

" 'The meeting of Tuesday having passed a resolution to place the company under the "Joint-stock Companies Act of 1857," certain other resolutions requisite to carry out fully the objects for which that course was adopted, will be proposed to the adjourned meeting to-day. Should the shareholders, as they will see it to be their interest to do, approve them, the functions of this committee will naturally cease, unless it should be the pleasure of the shareholders to ask for their further services.

" 'The committee have been too fully occupied to allow of their going into any inquiry as to the origin of the present difficulties, feeling likewise that the time had not arrived for such an investigation. Whether it shall be the pleasure of the shareholders to institute it through them, or otherwise, must be left a subject for further consideration.

" 'The committee cannot, however, conclude the report without expressing the approval of the manner in which the directors of the bank have received the various suggestions and recommendations they have made to them from time to time, and of the readiness with which they have, during the whole period of their joint action, afforded to the committee every information in their power on the different subjects to which their attention has been directed.

" 'JOHN B. BRANCKER,  
" 'Chairman of the Committee of Shareholders.' "

The report of the accounts of Messrs. H. Banner and Son was next read. It stated that they had compiled a statement of the affairs of the bank, but the committee, their legal advisers (Lace and Co.), and Mr. Field were of opinion that it was not to the interest of the shareholders that that statement should be read. The interests of the shareholders depended upon two matters—first, on the necessity of neither doing nor saying anything which might directly or indirectly touch the position of any parties who have engagements with the bank, especially in a case like this, where there is a large quantity of paper bearing the bank endorsement which ought to be met by the parties primarily liable upon it; and, secondly, that the assets have been valued at the present depreciated rate of such securities in the market—rates which, in realising, it is hoped will be exceeded; but any statement of those valuations could only tend, by making known the depreciation at which they have been taken, to operate against what is considered the intrinsic value of the respective properties, such value as in fact in improved times would certainly in most cases be obtained. A large portion of these assets consist of securities of various kinds, in land, in ships—some few in shares and other matters. To get the valuations of these securities as correctly and as safely as possible, it obtained the assistance of Mr. Culshaw and Mr. Lamport, whose estimates are formed upon the present



depreciated value of the different properties submitted to them. It will be understood that such valuations can little be depended upon as the prices which might be obtained when mercantile matters settle down again to their accustomed course; and it will also be well understood how largely the circumstances of the times have operated against the interests of the shareholders, both as regards the value of the property which they hold, and the increase in the liabilities of the bank, which latter has almost daily been taking place by the suspension of mercantile houses with engagements bearing its endorsement. The estimate of these engagements is large certainly; but, after all, it is merely an estimate, and it is quite impossible to say whether or not the amount may be exceeded, and to what extent.

"Into the accounts upon which the losses have occurred," continues the report, "I have not had time to enter closely. They have most of them been current upon the books of the bank for some years, and I see that large amounts have been written off from time to time to the debit of profit and loss, the sum of £371,178 19s. 1d. having been written off between June, 1854, the year in which Mr. Oliver stopped, and the same time in 1857. Covering a period of four years only, it has been thought, and probably with reason, that one or two prosperous years would place these accounts upon a legitimate footing, and meantime the business of the bank was so large and the real profits so great that any deficiency occurring might be made good out of the annually undivided portion of those profits. Unfortunately this project has not been realised, and the crisis which has now come upon this institution has been in its consequences, and still is, most disastrous. In conclusion, I have to say that I have thought it right to the proprietors to examine the accounts of the directors and managers. The latter have always been in credit, and of the former two only have over-drawn balances; one is covered to a considerable extent, and more than the difference is now about being brought in in cash; the other will, doubtless, shortly be arranged. I find that Mr. Smith, the late manager, was a purchaser of shares as lately as May last, the price paid being £10 6s. 3d. per share; and your respected chairman has been a purchaser still more recently. I find also that the only shares held by the directors which have changed hands for many years were a small lot transferred by one director to another in February, 1856.

"HARMOND W. BANNER, Accountant."

The following resolutions were passed unanimously:—

"1. That the report of the directors, including that made by Mr. Banner, now read, be and the same is hereby adopted.

"2. That the several acts done and measures taken by the committee of shareholders appointed by the board of directors, and an informal meeting of shareholders, held on the 30th day of October, 1857, be and the same are hereby adopted and confirmed.

"3. That the report of the committee of shareholders, mentioned in the last resolution, now read, be and the same is hereby adopted.

"4. That the gentlemen constituting the committee of shareholders referred to in the preceding resolutions—that is to say, Mr. J. B. Brancker, Mr. Samuel Martin, Mr. John Dickinson, Mr. Gilbert Henderson, Mr. John Laird, Mr. John Marriott, Mr. H. J. Webster, Mr. Cooke, Mr. Thomas Blythe, Mr. Bramley Moore, Mr. William Smith, Mr. Thomas Hibbert, Mr. John Park, Mr. Fletcher Rogers, and Mr. John Bristow—be appointed a committee on behalf of the shareholders to superintend, in conjunction with the board of directors, the future conduct of the affairs of the bank; and that such committee be empowered to add to their number, to appoint



a sub-committee, and to make such regulations for transacting their business as they shall see fit.

" 5. That the thanks of this meeting be offered to Mr. Holt, Mr. Robinson, Mr. Aikin, and Mr. Edward Moon, for consenting, on the requisition of the directors and the committee of shareholders, to act as mediators in all questions arising between the bank and its creditors, and between the shareholders in the bank *inter se*, and that they be requested to continue to give the bank the benefit of their valuable services in the same capacity.

" 6. That it appears to this meeting that the losses of the company have exhausted the fund in the deed of settlement of the company called the 'Reserve Surplus Fund,' and also one-fourth part of the capital of the company actually paid up by the proprietors; and it also appears that three-fourths of the said capital have become unavailable by reason of the aforesaid losses of the company, and of the remaining capital thereof being invested on securities which are not at present convertible.

" 7. That having regard to the circumstances mentioned in the last resolution, all the proprietors of the company present at this meeting require that the company be forthwith dissolved, and declare that the same stands and is dissolved accordingly, subject, nevertheless, to the provisions of the deed of settlement of the company, and of the Joint-Stock Banking Companies Act, 1857, whereby it is provided that for the purpose of winding up the company its corporate estate and all its corporate powers shall continue.

" 8. That the event having occurred, upon the occurrence of which it is provided by the deed of settlement that the company is to be dissolved, the company be wound up voluntarily under the Joint-Stock Banking Companies Act, 1857, and the Acts incorporated therewith.

" 9. That John Barnes Brancker, of Liverpool, in the county of Lancaster, broker, Joshua Dixon, of the same place, merchant, Peter Serjeantson, of the same place, broker, Philip Rawson, of the same place, insurance broker, and Harmood Walcott Banner, of the same place, accountant, be and they are hereby appointed liquidators, for the purpose of winding up the affairs of the company and distributing the assets thereof.

" 10. That, as between the liquidators and the company, the authority given by the Joint-Stock Companies Act, 1856, to any two of the liquidators to exercise all the powers thereby given to the liquidators, shall only be exercised subject to such restrictions and qualifications, if any, as the liquidators, or a majority of them, may from time to time appoint; but no creditor or other third party shall be bound to inquire whether the acts of any two of the liquidators are duly authorised under this resolution, or be affected by express notice that they are not so authorised.

" 11. That the liquidators be requested to consult from time to time with the directors' and the shareholders' committee as to the best mode of dealing with the interest of the bank, and, as far as they find they can properly do so, to carry out the winding-up of the affairs of the company with the sanction and concurrence of these bodies.

" 12. That in the event of any vacancy by death or otherwise occurring in the office of any of the liquidators now or hereafter to be appointed, the company, in filling up such vacancy, shall adopt the following principles, that is to say:—If either of them the said John Barnes Brancker and Joshua Dixon, or any person hereafter to be appointed in the place of either of them, shall cease to be a liquidator, the company may supply the vacancy occasioned thereby in such manner as it shall think fit. If the said Peter Serjeantson, or any person hereafter to be appointed in his



place, shall cease to be a liquidator, the company (until the debts of the London creditors shall be paid or secured to their satisfaction) shall only appoint such person to supply the vacancy occasioned thereby as shall be approved by the London creditors of the company. If the said Philip Rawson, or any person hereafter to be appointed in his place, shall cease to be a liquidator, the company (until the debts of the Liverpool creditors of the company shall be paid or secured to their satisfaction) shall only appoint such person to supply the vacancy occasioned thereby as shall be approved by the Liverpool creditors of the company; and if the said Harwood Walcott Banner, or any person hereafter to be appointed in his place, shall cease to be a liquidator, the company shall only appoint such person to supply the vacancy occasioned thereby as shall be approved by the other liquidators for the time being.

"13. That the remuneration to be paid to the liquidators be referred to the directors' and the shareholders' committee, who are hereby authorised and empowered to settle and determine the amount and mode of payment thereof, and if they shall feel any difficulty in the matter, then that Messrs. Holt, Robinson, Aikin, and Moon be requested to give them their advice and assistance.

"14. That this meeting approves an arrangement being made with the creditors of the company, and authorises the liquidators to settle with the creditors on the following terms and conditions, that is to say—

"1. That all creditors upon deposit or open account, other than shareholders, for sums not exceeding £200, be forthwith paid in full.

"2. That all creditors upon deposit or open account, other than shareholders, for sums exceeding £200, be paid by four equal instalments, to be secured by the promissory notes of the company, payable respectively, 6, 12, 18, and 24 months from the 27th day of October, 1857, with interest from that date at the rate of £7 per cent. per annum.

"3. That the holders of bills bearing the liability of the bank shall be entitled, if they require it, to the promissory notes of the bank for the amount of their unpaid bills for the time being, or such part thereof as they shall require, such promissory notes to mature at 6, 12, 18, and 24 months, from the said 27th day of October, in equal instalments of 5s. in the pound each, with interest at £7 per cent. per annum, to be computed from the maturity of the bills in respect of which such notes are given. The bank is to have the right of redeeming such promissory notes before the same become due in whole, or in sums of not less than 1s. in the pound, on giving notice to the holders of their desire so to do, on condition that the unpaid bills for which such promissory notes shall be given shall be delivered to the bank upon trust for the benefit of the parties delivering the same, and in order that the bank as their agents may collect the amount thereof from the other parties thereto, but not so as to divest the legal property of the holders in such bills, such collection to be made by the bank to the best of their judgment, and all sums of money collected by the bank from the other parties to such bills shall be immediately applied in liquidation of the promissory notes given by the bank in lieu of such bills which have the longest time to run, the bank to be credited in account with the holders of such notes with interest at the rate of £7 per cent. per annum on the moneys so paid, and the holders of the bills are to have the right of requiring the re-delivery of such bills, or any of them, on returning to the bank their promissory notes received against them; but the bills so re-delivered are to be subject to such arrangements as the bank may have made in the meantime with the parties liable thereon.



"4. That shareholders who are creditors upon deposit, or open account, are not to receive the amount of their credits until all their liabilities and the bank's liabilities to the public have been liquidated.

"5. That depositors and other creditors having bills running with the bank under discount, are not to receive promissory notes for the sums due to them until the bank is satisfied of the safety of such bills.

"6. That the acceptances of the bank given out against credits are to be paid at maturity, if the liquidators shall deem it safe and advantageous to the bank to do so.

"7. That upon the realisation by the bank of any securities deposited with the bank against any particular bill or bills, the proceeds thereof shall be applied immediately as received towards the liquidation of such bill or bills; and in case of the bank having given their promissory notes against such bill or bills to the holders thereof, then the proceeds shall be applied towards such of the said promissory notes then current as shall have the shortest time to run.

"8. The dividends and interests shall be paid to the holders of bills who may be entitled to promissory notes, but who may not require the same, or who may have returned their promissory notes to the bank in like manner as if such notes had not been given or had not been returned.

"9. That the chief basis of the settlement with the creditors of the bank hereby authorised is, that calls amounting to £5 per share shall be made on the shareholders as soon as the law will permit, and shall be enforced with all reasonable speed.

"10. That in passing this resolution the shareholders reserve to the liquidators the power to exclude any creditor who shall not signify his assent to the settlement hereby authorised by a day to be fixed by the liquidators and by the creditors' committee, from receiving a higher rate of interest than the law would award.

"15. That this meeting request the creditors of the bank to continue the present or some other committee to represent them during the winding up of the affairs of the bank.

"16. That, inasmuch as interest at the rate of £7 per cent. per annum is to be allowed to the creditors of the bank, the like rate of interest shall be adopted in the settlement of all accounts between the shareholders and the bank, and shall be computed from the 27th of October, 1857. All balances due to or from any shareholder on banking account are to be transferred as of the aforesaid day to his shareholders' account, and to be dealt with accordingly."

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#### SUSPENSION OF THE WESTERN BANK OF SCOTLAND.

As was anticipated, as soon as the failure of Messrs. Dennistoun and Co. became generally known, the feverish state of anxiety which for some time previously existed in Scotland greatly increased, and a general run upon the banks, particularly in Glasgow, was the result. On Monday, the 9th November, the greatest gloom pervaded that city. Early in the day it was rumoured that the Western Bank of Scotland was in difficulties, and, in fact, that it was on the eve of suspension. At two o'clock in the afternoon the worst fears were realised, by the closing of the doors of the establishment, and the posting of a notice to the effect that the directors had found it necessary to suspend payments.

The same evening the following circular was issued by the directors to the shareholders:—



"Glasgow, November 9, 1857.

"LADIES AND GENTLEMEN,—It is our painful duty to intimate to you that a concurrence of circumstances of a very adverse nature, both in this country and abroad, affecting our pecuniary resources and credit, has compelled us to come to the resolution this day of suspending payment of the company's obligations, both at head-quarters and at the branches.

"We can assure you that this resolution has not been adopted without anxious and persevering efforts to obtain such support from kindred establishments, both in England and Scotland, as, without involving much risk to them, might have enabled us to tide over our present difficulties, and avert a catastrophe which, on public as well as private grounds, we shall never cease to deplore. This does not appear to us the proper time to enter into explanations as to the manner in which our applications for aid were met. All that is necessary to say is, that the leading Scotch banks, after conceding assistance to a limited extent on security, have seen it right to withhold all further aid.

"In regard to the future, two courses of action seem open to the bank, and to those who are involved in its embarrassments, whether as creditors or as shareholders. Those two courses, although pointing at different results, may both be pursued simultaneously, and, we are advised, ought to be adopted for the interests and safety of all concerned. To understand this, it may be necessary to say a few words as to the position of the affairs of the bank.

"Although no balance has been made of the books of the bank since the annual balance in May last, and although, no doubt, severe losses have been incurred since that date, yet we have reason to hope, if time be given for the gradual winding-up of the affairs, that the company's assets will be more than sufficient to pay the whole debts. This, however, will much depend on the state of commercial affairs in this country and in America during the next six months. But, at all events, the undoubted means of the individual partners of the company, if rendered available by a judicious system of realisation, are greatly more than sufficient to guarantee payment of all its deposits and other liabilities.

"In these circumstances, the course which it appears to us would decidedly be most advantageous for all parties to pursue would be an extension of time for payment of the debts and obligations of the company, coupled with a system of management of its affairs under inspection, and eventually perhaps an amalgamation of its business with that of some other bank. It belongs, however, to the creditors of the bank to express their opinion whether such a plan is the one most desirable to be followed; and for that purpose, we propose, as soon as possible, to call together district meetings of the creditors at the places most convenient for them, that they may appoint some one to represent them, should they not find it convenient themselves to attend at the central meeting to be held at Glasgow. It is quite obvious that this mode of arrangement assumes great forbearance, if not hearty co-operation, on the part of individuals; but where such extensive and widely-ramified interests are at stake, it is thought not unreasonable to hope that, should there be a diversity of views among them, the minority will yield to the majority.

"The other course to be pursued is that of at once taking the preliminary steps for winding-up in a legal way. Although this plan would entail great sacrifices in the realisation of the assets both of the company and of the shareholders, it may become necessary to resort to it. It is fortunate that an act of Parliament was passed last session to enable banking companies to place themselves under the operation of the Joint-stock Act



of 1856, in all respects except as regards limited liability. The shareholders and their estates must, under all circumstances, remain liable to the full extent for the debts of the bank. The adoption of this act would, in our estimation, be of importance, were the business to be carried on. But the act contains besides very valuable and judicious clauses, enabling a company, placed in circumstances like the present, to be wound-up, and the means of the individual partners to be made available for the early liquidation of the debts. To adopt this act requires only the resolution of a special general meeting of the shareholders. We have therefore resolved on immediately calling such a meeting, to provide for the eventuality of such a course of action being preferred by the creditors, or forced on the company by adverse circumstances.

"In conclusion, it is hoped you will see that we have been actuated by the single desire to do our duty to the creditors as well as the shareholders in the unfortunate position in which they have been placed, and, at the earliest practicable moment, to take the instructions of these who are legally entitled to direct us to all further proceedings.

"I am, Ladies and Gentlemen, your most obedient servant,

"(By order of the directors) J. S. FLEMING, Manager *pro tempore*."

The Western Bank had a paid-up capital of £1,500,000, and deposits supposed to amount to £6,000,000. It has about 100 branches, and has been established 25 years. Its leading shareholders are extremely wealthy, a recent estimate of their aggregate property placing the total at five or six millions, and the ultimate payment of all liabilities is therefore beyond question. Whether any portion of the paid-up capital of £1,500,000 will be saved cannot yet be conjectured. The bank had an active connection with America and with American houses in Glasgow and elsewhere, and the first announcement of its being in peril was consequent upon the failure of a knot of speculative firms in Glasgow about the middle of last month. Since then its position has been aggravated by other disasters, which it was found impossible to stand against.

It is now well known that this lamentable result has been caused by the most reckless mismanagement, which left the bank utterly unable to struggle against the present crisis. Mr. John Taylor was appointed to the management in October, 1852, and it has now been ascertained that this gentleman has advanced the funds of the bank in the most reckless manner to concerns which were totally unworthy of enlarged credit. Four of these concerns have become bankrupt within the last month, and the losses by these houses alone are estimated at not less than £600,000. At the same time the directors have exhibited very great negligence in overlooking the transactions of their manager. Mr. Taylor was dismissed from his office about four weeks previous, but it was too late to repair the mischief, for an under-current of distrust had set in, by which the deposits were in the course of being withdrawn to a vast amount.

For some years past a system of overtrading has been carried on through the facilities afforded by the system of rediscounting. Reckless credits were given to customers in Glasgow, and a correspondent in New York was allowed to make advances on securities and to draw bills on the bank. Lately, on an investigation being instituted into some of the largest advance accounts, it was found that the houses to which they had been made were utterly insolvent, and that a large loss to the bank was inevitable. The debtors went into bankruptcy, the American panic came on at the same time, deposits began to be withdrawn, and, finally, when the hour of pressure arrived the usual result was witnessed, and the firms in



London who had hitherto promoted the financial system of the concern suddenly found it expedient to discontinue the rediscounts on which it had relied. Application for assistance was then made to the Bank of Scotland. The Bank of Scotland consulted the other Edinburgh banks and the Union Bank of Scotland, who declined granting any aid until an appeal had been made to the Bank of England. The Bank of England, of course, refused to interfere. The Scotch banks then offered £500,000, but on condition that a winding-up should take place. This was peremptorily resisted, and the £500,000 was ultimately granted without condition. During the delay, however, many of the customers of the bank had begun to withdraw their deposits, and an application for further assistance was soon found necessary. This met with a decided negative, and the stoppage accordingly took place. It is satisfactory to learn that not a farthing will be lost by any but the shareholders, who amount altogether to 1,200 persons. Among them, however, there are a large number of widows and orphans, whose whole means had been invested in the bank shares, which of late years have paid a dividend at the rate of 9 per cent. There are also in the proprietary many of the most wealthy men in the kingdom, of whom may be mentioned four of the brothers Baird, of Gartsherrie, who are well known to be able to pay the whole of the losses of the bank out of their own means, if this were necessary. By a little patience, therefore, every person is certain to be paid in full. The present directors are,—Mr. Thomas Dunlop Douglas, of Dunlop, deputy-governor; Mr. James Dunlop, Clyde Ironworks; Mr. Thomas M'Onll, merchant, Glasgow; Mr. Thomas Douglas Graham, merchant, Glasgow; Mr. Thomas Gray Buchanan, of Salston; Mr. Alexander Baird, of Urie; and Mr. William Logie, Haleside.

A numerous and influential meeting of the bank shareholders was held on the 16th November, in the Merchants' Hall, Glasgow—Geo. Baird, Esq., of Gartsherrie, in the chair—it was agreed unanimously to raise a guarantee fund of £1,000,000, for the purpose of inspiring confidence in the depositors and customers of the bank, and enabling it to resume business. It was stated at the meeting that nearly £800,000 of this sum had already been subscribed by twenty-seven of the wealthier shareholders.

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### SUSPENSION OF THE CITY OF GLASGOW BANK.

THE City of Glasgow Bank was compelled to close its doors on the morning of Wednesday, the 11th November, in consequence of the severe run made upon it at the chief establishment in Glasgow, as well as at the various branches throughout the country.

The panic which has for some days existed was at its height on the 11th, Martinmas Day, which is one of the two half-yearly periods of payment throughout Scotland. Large sums of money are usually paid away by the banks at this term, a reflux immediately following; but on this occasion not only had the banks the usual payments to meet, but hundreds of depositors in no need of the cash, and acting under the impulse of panic, ran to the bank to demand all their money instantly, and in gold, while the usual replacements were made in very stinted measure. Even the notes of the old chartered banks and of the Bank of England itself were refused in many cases, the clamour being everywhere for gold.

The pressure upon the bank on the 10th was exceedingly severe, but down to the usual hour of closing every demand had been met where



## *Suspension of the Northumberland & Durham District Bank. 1007*

cheques had been presented, though in consequence of the vast crowd round the doors, a large number were unable to obtain admission. On the following morning the panic was as great as ever. Numerous parties were collected at the head offices and branches from an early hour, waiting for the opening of the doors. The hour for opening passed, and there were no signs of admittance being granted. At this time the excitement was very great, and it was certainly not allayed when at eleven o'clock the following notice was posted on the doors:—

**"CITY OF GLASGOW BANK.**—The directors deeply regret that, in consequence of the excessive demand on the bank for gold, they are under the necessity of suspending payment in the meantime. As this painful necessity arises from the pressure of the times, and not from losses sustained by the bank, the directors hope that, with the forbearance of depositors, arrangements may soon be made to enable the bank to resume business. By order of the directors,

**"ROBERT SALMOND, Manager."**

Crowds were, of course, collected at the different offices, but no attempt at violence was made, although a large police force was necessary to keep in order the low characters who mixed largely among the disconsolate depositors.

The City of Glasgow Bank had a capital of £1,000,000, with a reserved fund of £90,595. It had in various parts of the country no less than ninety-six branches.

A private circular has been issued to the shareholders of the bank, showing the position of the company's affairs. From this it appears that the liabilities of the bank amount to £4,576,231, and the assets to £5,702,534, being an excess of £1,126,303 over the liabilities, affording a sufficient guarantee to the depositors and the public. The profits for the half-year ending November 30 are estimated at £50,000, or upwards of 9 per cent. on the paid-up capital, and the losses during that period of commercial distress have been inconsiderable, compared with the amount of business transacted.

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### **SUSPENSION OF THE NORTHUMBERLAND AND DURHAM DISTRICT BANK.**

THE drafts of the Northumberland and Durham District Bank were returned on the 25th November by their London agents, an application to the Bank of England for assistance on behalf of the establishment having been the previous day declined. Their paid-up capital is £652,891, and there was professedly a reserve fund of £90,874. The liabilities are thought to be very great, probably not much less than three millions; and the general opinion as to the character of their assets is far from favourable. They are understood to have made enormous advances on collieries and iron-works; and at the time of the failure of Messrs. Carr Brothers, in Newcastle, in August last, for £720,000, they appeared as large creditors on that estate, the claim being secured by a mortgage of the extensive coal mines. The head office is at Newcastle; and there are branches at Alnwick, Berwick, Hexham, Morpeth, North and South Shields, Sunderland, and Durham. The concern has been in existence twenty-one years, and, at the date of the last return, the number of shareholders was 408. The average weekly amount paid for wages alone through this bank is stated to have been about £35,000; and it is feared that by the catastrophe



several thousand persons will be thrown out of work. The Bank of England have a branch at Newcastle; and every effort will be made by them, and also by other institutions, to mitigate the evil in this respect as far as possible. The bank was formerly a bank of issue, but of late it has adopted the circulation of the Bank of England.

#### SUSPENSION OF THE WOLVERHAMPTON AND STAFFORDSHIRE BANKING COMPANY.

For some days previous to the 16th November, a great deal of feverish anxiety was manifested amongst all classes at Wolverhampton, with regard to the position of the local banks, and on that day a continuous and severe run was made upon all those establishments in the town, but every demand was promptly met. On the morning of Tuesday the 17th, however, general consternation was created by the appearance of the following announcement in manuscript on the unopened door of the Wolverhampton and Staffordshire Banking Company, in the Old Churchyard:—

"The directors of the Wolverhampton and Staffordsire Banking Company, deeply regret to inform the public that they are under the necessity of closing for the present, the business of the bank. It would greatly add to the pain which the directors feel on taking this step if there did not exist the most absolute safety as to the liquidation of every claim against the bank; and the directors will forthwith take the most prompt means to satisfy every account, and relieve any inconvenience that may arise from this inevitable occurrence, if circumstances should not justify the continuance of the bank. The directors trust that by Monday next, they shall be able to state the definite course that can be taken.

"By order of the board,

(Signed)

"JOSHIAH WILBY, Manager.

"November 17, 1857."

Seldom has the town presented such a painful spectacle as it exhibited after the above announcement, which spread like wildfire, became generally known.

The bank has been in existence upwards of a quarter of a century, and has always enjoyed the utmost confidence of the mercantile classes in this district. Its proprietary embraces many of the most wealthy and respectable merchants and manufacturers of the town. To show the regard in which it was held—as well as unfortunately the extensive mischief which its suspension will create—it is sufficient to say that at least six out of every ten shopkeepers in the town who have banking accounts kept them in what is popularly known as "The Old Churchyard Bank."

The new Mayor, Mr. Moses Ironmonger, issued early in the forenoon the following proclamation in the shape of a large placard, which was extensively posted and otherwise circulated:—

"The Mayor of Wolverhampton begs to inform the holders of notes of the Wolverhampton and Staffordshire Banking Company, that all the notes will be paid in full. Arrangements are being made to continue the circulation of such notes as usual. Holders are cautioned not to dispose of their notes at less than their usual value.

"MOSES IRONMONGER."

The establishment was a bank of issue with an authorised circulation of £35,378. It had a nominal capital of £500,000, of which £100,000 is paid up, and according to its last return £7,000 had been appropriated to a reserve fund. The number of shareholders is about 200, and the



principal losses will fall, it is presumed, on persons connected with the iron trade.

A meeting of the shareholders, convened by the directors, was held on Monday, Nov. 23, in the Swan Hotel, Alexander Hordern, Esq., chairman of the directors, in the chair. Nearly all, if not all the directors were present, and there was a strong muster of anxious shareholders.

Mr. Briscoe, one of the directors, read the report. When he came to the passage announcing that the directors had agreed to raise among themselves and lend to the bank the sum of £50,000, he added amid applause, the creditors apparently being agreeably surprised by the statement, "the directors have since resolved to double this sum."

The following is the report:—

**TO THE SHAREHOLDERS OF THE WOLVERHAMPTON AND STAFFORDSHIRE  
BANKING COMPANY.**

Your directors have to address you under painful circumstances.

It was not until a few days before the 17th of this month that your directors were aware of the extent to which the manager had discounted and made advances upon paper of a character that never ought to have been received at the bank. The result of this mistaken line of conduct placed the bank in a situation of so much embarrassment that your directors, after the most anxious consideration of the matter, deemed it necessary, on the 17th, to suspend the business of the bank, and from that time to the present they have been unceasingly occupied in investigating the position of your affairs. They believe the following statement will be found to be accurate as far as in the present state of public affairs, and of the district, bills and property not realised can be estimated, but the assets are not overvalued, provided they can be collected in the ordinary course of business; but if they are to be realised under legal proceedings, your directors fear that an enormous loss will arise, with extreme distress to individuals.

**LIABILITIES.**

Notes in circulation ...	...	...	...	...	...	...	£31,000
Deposits ...	...	...	...	...	...	...	89,000
Credit balances ...	...	...	...	...	...	...	408,000
Balance due to London Bank	...	...	...	...	...	...	30,000
Bank of England ...	...	...	...	...	...	...	50,000
Drafts in London Bank	...	...	...	...	...	...	20,000
Bills under discount ...	...	...	...	...	...	...	141,000
							<hr/>
							<b>£769,000</b>

**ASSETS.**

Bills in hand (good) ...	...	...	...	...	...	...	£148,000
Doubtful £96,000, say	...	...	...	...	...	...	48,000
Bills with London bankers (good)	...	...	...	...	...	...	29,000
Doubtful £11,000, say	...	...	...	...	...	...	5,500
Bills at Bank of England (good)	...	...	...	...	...	...	42,000
Doubtful £36,000, say	...	...	...	...	...	...	17,000
Debit balances £422,000, say	...	...	...	...	...	...	350,000
Bills under discount (good) ...	...	...	...	...	...	...	38,000
Doubtful £100,000	...	...	...	...	...	...	51,500
Cash in hand and premises	...	...	...	...	...	...	8,000
Deficient ...	...	...	...	...	...	...	32,000

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**£769,000**

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Under these circumstances the course now to be taken is a matter of momentous importance to all parties. It is unnecessary to say that no bank can exist without confidence and capital, and when you observe that no less a sum than £497,000 is held at call, it must be manifest that, unless the customers will allow that sum, or the greater part of it, to remain for a time certain, and with regained confidence, any effort on the part of your directors would be fruitless. If your directors could see any certainty on that point they would have but little fear for the future. They are afraid that your bank is essential to the district, and the large amount which for the last 25 years has been divided as profits, best proves how stable an institution might have been founded, and how much may be hoped for if existing difficulties could be removed. Until, however, the creditors of the bank have learned its exact state, and formed their opinion upon it, your directors will be unable to undertake the recommencement of the bank; but if the creditors should be satisfied to continue their accounts, your directors would shrink from no trouble to restore the bank.

They estimate that, from the discount of bills in hand, from payments in addition of overdrawn accounts, and from a call on the shareholders, the sum of £250,000 may speedily be raised.

Your directors would also be willing themselves to raise and lend £50,000 to the bank, and by these means a present sum of £300,000 would be available for current business, and from securities and accounts other amounts would rapidly flow in.

But your directors would not disguise from you that from £220,000 to £250,000 may be required for present use, and that from £50,000 to £75,000 actual capital is necessary for the current business of the bank.

Your directors are further prepared to remodel their board, and to close, with your consent, the register of transfers for two years, except in cases of insolvency or death, so that the public may have the most complete security.

For the Board of Directors,

ALEXANDER HORDERN, Chairman.

Nov. 21, 1857.

The chairman stated that before the report was put to the vote the directors would be glad to answer any question that might be put, or hear any observations that might be made.

In answer to a question from Mr. Dixon, Mr. Hill (some years since the manager of the bank, and who has been lately employed with the directors in investigating the accounts) said that the statement of figures in the report approximated as nearly as possible to accuracy. Of course much would depend upon circumstances that might occur in a few weeks or days. Assets that had been put down as worth only 10s. in the pound might turn out to be more valuable, and *vice versa*.

Mr. John Leigh said that was the most eventful meeting of the bank since its establishment. His desire was to say nothing of the past, but to see if the shareholders could for the future work in a friendly spirit. The question for the meeting to decide was whether the bank was to be stopped altogether or to go on. (Several voices: "Go on.") If it was to go on there was only one way—an exhibition on the part of the shareholders of an amicable feeling, and a forbearing disposition on the part of the creditors. (Hear, hear.) He begged to propose the following resolution, as the first of a series, calculated to bring about the result desired by the directors, shareholders, and creditors:—"That this meeting approves of the proposal of the directors to carry on the bank according to the scheme submitted,



and is willing to pledge itself to carry it out, subject to the investigation and approval of a committee of shareholders, and on learning the intentions and feelings of the creditors." It was clear to a certain extent that they were at the mercy of the creditors, and that without their considerate forbearance the plan of the directors could not be carried out. He had reason to believe, however, that the creditors as a body would not be influenced by mere pecuniary considerations, but would do what was just and reasonable towards the directors, shareholders, and the interests of the district.

Mr. Leigh argued at some length, that on the part of the creditors, patience would not only be a virtue, but would promote their best interests.

Mr. T. Bolton, solicitor, seconded the resolution as the first step towards establishing a pacific feeling among all parties. He for one, according to his humble means and the small stake he had in the concern, was prepared not only to meet the call of £5 per share that might be made to meet the difficulties of the bank, but to advance voluntarily another sum upon interest, and he had no doubt that many others would do the same. (Applause.) Without some co-operation of this kind, he thought it impossible the bank could carry on. Supposing the bank were re-opened, and a rush were made for deposits, it would have to be stopped again, unless something like what he had suggested were done to sustain the hands of the directors and restore public confidence. He deprecated, unless in the very last extreme, a winding-up, either in bankruptcy or under the Registration Act. If the creditors would pledge themselves to take a first instalment—say, of 5s. in the pound down, and take some security for the remainder, he thought that they might carry on the bank, and make it a very beneficial property ultimately.

Mr. Leigh said that there would be a meeting of the creditors on the following day, when no doubt they would decide what they intended to do. Unless the creditors were disposed to take a portion of the burden upon themselves, all the plans of the shareholders would prove abortive.

The resolution was then put from the chair, and carried unanimously, as was another appointing the following gentlemen as a committee of shareholders to confer with the directors:—Messrs. W. H. Sparrow, T. Bolton, J. Leigh, E. Dixon, H. Hill, W. Barley, J. Wood, J. Wynn, Earp, Freeling and C. Elwell.

Mr. Leigh moved the next resolution—"That the directors take no step of importance without the concurrence of such committee of shareholders;" which, after a little display of restiveness on the part of one or two directors, was passed.

Mr. Leigh then moved—"That the committee of shareholders have power to adopt the proposal of the directors without reporting to a general meeting of shareholders." In support of this resolution, Mr. Leigh urged that it might be necessary to act promptly when action was decided upon, and time would be wasted if there were a delay to call another meeting of shareholders.

Mr. T. Bolton would prefer that the present meeting should be adjourned until the following evening; and then, when they had ascertained the opinion of the creditors, they could decide upon the proposal of the directors.

Mr. R. Kettle, barrister, said the committee of shareholders were competent to act on the matter promptly, and he objected to the interposition of unnecessary delay. With the £100,000, to be raised by the directors and the compulsory and voluntary call, there would be about £200,000 to work upon and the thing could not be commenced too soon.



The resolution was then passed.

Mr. Warner (one of the directors) expressed his gratification at the display of good feeling at the meeting, and had no doubt it would have its effect upon the meeting of creditors to-morrow.

Several other resolutions, including a vote of thanks to the chairman, were passed, and the meeting broke up.

On the evening of the 24th the directors of the bank issued the following notice:

**"NOTICE.**

**"WOLVERHAMPTON AND STAFFORDSHIRE BANKING COMPANY.**

"The directors of this company respectfully inform depositors and other creditors that a memorandum carrying out the terms of the resolutions passed at the creditors' meeting held this day lies at the bank for signature; and that the arrangements for recommencing business will be greatly facilitated by its being signed by depositors and creditors as early as possible.

"Nov. 24th, 1857."

"By order,

WILLIAM THORNE,

*"Solicitor to the Company."*

The deed up to the latest moment was being pretty freely signed. There was a strong feeling in its favour in the town.

The doors of the bank have now been cleared of the notices that had been upon them since the bank stopped payment. It is expected that business will be resumed certainly with the new year.

The Chamber of Commerce held a meeting on the 25th, with the view of determining some steps whereby another bank might be established in the town, but they have adjourned for further consideration of the subject until the bank re-opens.

## **SERIOUS CHARGE AGAINST MR. SAMUEL ADAMS, OF THE WARE AND HERTFORD BANK.**

OUR readers are aware that some time since the Ware and Hertford Bank, conducted by Mr. Samuel Adams, failed, and the estate is being administered in the Court of Bankruptcy. One of the items in the bankrupt's balance-sheet related to a sum of £3,500 alleged to have been advanced to a Captain Robert Johnstone, between whom and the bankrupt there appears to have been many monetary transactions. When Mr. Adams appeared to pass his last examination, the transaction in question gave rise to some inquiries; and his answers appearing to satisfy the Commissioner, he was allowed to pass. Previous to this last examination, however, Johnstone himself became a bankrupt, he being adjudicated as "a dealer in fish in Billiter-street, in partnership with a Mr. Pratt;" but, in fact, was better known for his transactions with Mr. William Kay, a young gentleman of fortune, and the bankrupt Adams. It appears that a proof for upwards of £10,000 had been admitted on the part of Mr. Kay, against the estate of Adams; and, in connection therewith, Adams deposed before the Commissioner that he had advanced a sum of £3,500 to Captain Johnstone, in addition to a sum of £3,300, for which he had previously taken credit. Captain Johnstone had thus been made a debtor to the estate of £6,800. Upon the statement of Adams coming to the knowledge of Mr. Glover, Johnstone's accountant, Mr. Glover, finding that Johnstone's accounts in no way mentioned this alleged advance of £3,500, felt it his duty to communicate with Johnstone. Johnstone having utterly denied the



receipt of the money, the case assumed a serious aspect against Adams. He had first stated that the £3,500 had been expended upon a farm. He had subsequently acknowledged that that statement was false, and alleged that the amount had been advanced to Johnstone. His reason for stating in the first instance that the money had been expended upon a farm, was that, having lost £13,000 by Johnstone, he was ashamed of acknowledging that he had been so weak and foolish as to lend him the £3,500 at the time the advance was made.

The examination of Johnstone took place before Mr. Commissioner Fane on the 29th October; and he then deposed that he kept an account at Adams's bank for the purpose of discounting Mr. Kay's bills. The last of the transactions with Mr. Kay was in the early part of 1854. His business and friendly feeling with Mr. Kay ceased soon after that date. He had but two transactions with Adams after that date, one in June or July, 1856, when Adams gave him £630. That advance was a gift, not a loan, and was for the purpose of obtaining his (Johnstone's) release from prison. Adams gave him the £630 under the impression that by procuring his release he (Johnstone) would be able to see Kay, against whom he was the co-defendant in a Chancery suit. He (Johnstone) was at the time in prison, at the suits of Jackson and Co. for £700, Wilks and Co. for £300, Hunt and Roskill for £110, and another creditor for £100. He had been in prison nine months, and the £630 obtained his discharge. Adams had subsequently advanced him £140 for his own private purposes; but he distinctly and altogether denied that he had, directly or indirectly, advanced him any portion of the £3,500, as alleged. He did not receive from him £500 in March, 1855; £1,000 on August 2, 1855; £1,000 on the 10th of June, 1856; and two several sums of £500 each at subsequent dates. He (Johnstone) was in prison from July, 1855, to June, 1856; and it was quite impossible that Adams could have made him any advance during that period. He declared solemnly that Adams had not advanced him any part of the five sums that made up the £3,000 as alleged. He first heard of the allegation through Mr. Glover. He last saw Adams on the previous day, when Adams called upon him. They were alone. They had had some conversation previously to that date. Adams admitted that he (Johnstone) had not had the money, and asked him to extricate him. He (Johnstone) replied that he could not assist him in any way, and he declined to do so. He first saw Adams on the subject one day the previous week. Adams said he had placed the sum of £3,500 in his balance-sheet to his name, and insinuated that he (Johnstone) should proceed to advise him how to act. He more insinuated or suggested a dishonest act, than said how it should be performed. Adams admitted that he (Johnstone) had the money, and he asked him to assist him out of his difficulties, but did not suggest how it should be done. He (Johnstone) had seen Adams several times between the two meetings already mentioned. On every occasion Adams had called upon him. He (Johnstone) urged him to find the money, and pay it over to his assignees. Adams said he had not the money, and that it was a mistake in his having said that he (Johnstone) had had the money, and that some one else had it—Mr. Cremour. He (Johnstone) did not know who Cremour was. He had never seen him. Saw Adams at Mr. Kennedy's, news agent, Royal Exchange. Adams always admitted that he (Johnstone) had not had the money.

The Commissioner granted a summons for Adams to appear on the following day. No reason was given for the application not being for a warrant, except it might be inferred from a statement that Adams's where-



abouts was so far known that a summons would probably be served upon him during the day.

On the 30th of October Mr. Adams attended before the Commissioner, when Mr. Lawrence appeared for the assignees, and Mr. Lewis for the bankrupt, who was examined at some length.

He said he had not advanced the £3,500 or any part of it to Captain Johnstone. He must confess that Johnstone had never had the money mentioned in page 98 of his amended balance-sheet, which he had signed, and upon which he had passed his examination. The entry in his book returned Mr. Johnstone as a debtor for £6,830 16s. 11d. The figures originally stood £3,500 less. The alteration was in red ink. He had previously charged the £3,500 to general expenditure. He had informed the assignees that this was an error, and that the money had been lent to Johnstone. The list of the advances to Johnstone set forth that £500 was advanced in March, 1855, £1,000 in August, £1,000 in June, £500 in August, and £500 in August, 1855; total, £3,500. He had made this statement in consequence of an explanation being required. The statement was wholly untrue. He had not in any other way attempted to account in his balance-sheet for the £3,500. His explanation was this:—For the last three or four years he took money out of the bank till, placing a memorandum in the till or end drawer, and when it got to a certain amount he wrote it off. He did not mean to say that the £3,500 was taken at the time stated, but during the last three or four years. The money was expended in farming and other purposes. There was no entry in his books to show the disposal of the money, and that he could only account for it as just stated. Would swear he had not now the £3,500, or any part of it, or any person for him. He did not propose to place in the hands of Johnstone part of the £3,500. After the discovery he did not propose giving part to Johnstone, in order that he might charge Johnstone with the £3,500. He had not made any purchases of his estate, nor had any person for him. He had not placed any money in the hands of other parties. The reason for debiting Johnstone with the £3,500 was, that he was told his expenditure had been excessive. Johnstone said he could put the amount down to him if he thought proper. He passed his examination on the 28th of April on the balance-sheet, to which reference had been made. The dates from March to August were to a great extent a fiction. The item of £3,500 was thus made up to satisfy the assignees. He had told Mr. Thomas, his accountant, that he had expended the £3,500 on farms, and in various ways. It was at Johnstone's suggestion that he had charged him with the money. If Johnstone had stated otherwise it was untrue. Johnstone had said "You may charge part, or any part, or any amount to me." He had Johnstone's assent, although he was not prepared to justify the transaction. He had no further explanation to make, except that he was exceedingly sorry he had ever made a statement in reference to Johnstone having had the money.

Mr. Lawrence said, the matter had come upon the assignees by surprise. The bankrupt had been treated with the greatest kindness by the assignees. His Honour would recollect that a number of creditors had wished to appear by counsel, to institute an independent investigation, and that the Court declined to allow such a course, having no reason to doubt the zeal of the assignees. The bankrupt was now charged with the greatest offence under the bankrupt law, and subject to the greatest punishment. He suggested an adjournment, which was accordingly ordered; and so the matter at present rests.



## Communications.

*To the Editor of the "Bankers' Magazine."*

### THE BANKING CRISIS IN SCOTLAND.

SIR,—In your journal for September, you were good enough to insert a letter of mine on the "Over increase of Bank Branches in Scotland"; and you will have seen that the very calamities which I then deprecated as a possible result, have actually taken place, and you will also have observed that the example has happened (righteously enough) with the establishments who originated what I have termed "the street system of banking."

My object in now writing, is not to claim credit for my prophecy being fulfilled, for I will confess that I did not dream that my auguries should have been so soon and so signally realised.

But, such is the elasticity of commercial credit in this country, that I think, even at this early period after disaster, a word of warning may be requisite, lest the existing great banks should, in their too great eagerness to occupy the field, which may be involuntarily evacuated by the unfortunate companys, and in their anxiety (to a moderate extent laudable), to supply the accommodation demanded by their withdrawal—run into the same error for which their insolvent brethren have been justly condemned.

There is a senseless cry abroad that there should be free trade in money: for my own part, I do not see how it could well be freer without such an anarchical state of thing as no respectable country with a constitution should wish to find itself in. And it is perhaps this absolute freedom (though here I speak differently) which produces a commercial crisis every ten or twelve years in Britain as an apparent necessity.

I have sometimes been taunted by the remark that I am too conservative "for the age" in my views on this subject, but, waiving the opinion that true conservation is for every age, I have been borne out as yet by events, and no one could certainly at the present junction venture to make such a charge, when the recipients themselves of what appeared at first to be desirable favours, are ready to execrate the radicalism which has prevailed in banking. It does not prove then to have been an orthodox conduct to strive to attain to a paramount position by means of offering greater interest or cheaper accommodation, than the majority of one's neighbours find it prudent to afford; nor, by a wholesale system of *soi-disant* fostering of enterprise, to thrust capital into the hands of those who ought to be permitted to employ themselves in honest labour. It is admitted there may be too much of even a good thing. Bankers would do well to pause a little and look around them, in order to ascertain whether there is any flaw crept into there system, which they might eradicate.

They should refrain in the meantime from planting more branches, unless in districts where there is an imperative demand for them; lest what they fondly think will be feeders should, from injudicious selection and from mismanagement, prove to be blood-suckers.

With reference to the recently oft-remarked disparity between the deposit interest in Scotland and that given by the London banks, I would take leave to say a few words.

Some of the joint-stock banks have indeed attained a very eminent position, and I am inclined to think that eventually a few of the more



extensive ones will gradually absorb the greater portion of the safe business, to the exclusion of the smaller corporations. It is on this principle only that I can understand the doctrine propounded by one of their officials lately, at a general meeting, that there should be no risk whatever in banking. If they find this creed to be correct in London, they can indeed afford to give a high rate of interest to depositors. Now in Scotland, we recognise a certain degree of risk ; but apart from this, there are some features of Scotch banking which are still peculiar to it, and yet which are apt to be lost sight of in a cursory comparison. In the first place, there is not even the great disparity supposed betwixt interest charged and allowed, for the exorbitant discount rates are not exacted from approved cash credits which still stand at the usual rates, about 2 per cent. more than allowed. Again, the London banks have vast sums on floating balances, for which they pay next to nothing at all, charging at the same time generally a quarter per cent. on the operations upon those accounts, which much more than swallows any little interest accruing to them ; while in Scotland no restrictions whatever are placed on accounts—parties have the absolute disposal of their balances, may draw out their money in the morning, and pay it back in the afternoon without forfeiting a farthing of interest, or incurring any fee for their facilities. If the Scotch banks were adopting the English practice out and out, no doubt they could give more for large deposits ; but when, some years ago, an attempt was made partially to introduce the English system, it was found not to work well—it did not suit the genius and habits of the people long accustomed to their own unfettered system. The Scotch banks, with their one pound note circulation and other features of their routine, have done much, very much, for the development of the country, and ought not to be cavilled at for continuing in the even tenor of their way. That they give as much interest as is consistent with prudence and safety, is evidenced not only by recent events, but by comparing their moderate profits with those of their great contemporaries in the sister kingdom ; and no one can say that there is not sufficient competition to insure due consideration to public rights.

I am, sir, your very obedient servant,

A BRANCH MANAGER.

19th November, 1857.

#### CLERKS' SALARIES.

SIR,—In your September number a correspondent requests information as to the method by which a banker's clerk contrives to support a wife and family on a salary of £80 per annum, and in your number for October I perceive that another correspondent, with a signature too long to be quoted, endeavours to answer the inquiry. The correspondence reminds me of a consultation which is said to have once engaged a company of philosophers, on a subject equally mysterious and incomprehensible—the question why it was that a bucket of water filled to the brim did not overflow when a fish of seven pounds' weight avoirdupois was immersed within it. Very ingenious, if not quite satisfactory, were the theories suggested by several of the *savans*, when, after a little consideration, a *philosopher* from the land of cakes who happened to be of the synod, startled every sentiment of scientific propriety by exclaiming, "Aw doot the fack." Now, when I hear of young men of genteel avocation and appearance supporting wives and families on £80 a



year, like the Scottish philosopher, *I doubt the fact*. I believe the true answer to your statistical correspondent would be, as regards nine out of ten cases, "the thing is not done." There is either a father or a brother, or an uncle or aunt, somewhere in the back-ground, who has now and then to set poor Augustus and Emily straight with the butcher, the buttermilk, the tailor, *et hoc genus omne*, or their accumulated obligations to those parties have now and then to be dealt with in a less satisfactory manner. In some cases, indeed, the wife may have some auxiliary source of emolument, or the husband may devote the hours "after business" to the earning of a supplemental income; but saddest of all, the young man who finds himself placed between an expenditure ever widening and difficult to be controlled, and an income pitifully small and obstinately refusing to expand to the measure of his requirements, is too often tempted to resort to expedients which lead to disgrace and to ruin. I do not say that a man and a wife and family cannot live on £80 per annum. It may be done, and it is done, by hundreds and thousands, by people who live on brick floors, who dress in fustian, who scour their own door-steps, take their toad-in-the-hole to the baker on Sundays, eat cold bacon on other days when there is any in the cupboard, and a herring and potatoes when there is not; but it is not done by gentlemen who put on a clean shirt and an "all-rounder" every other morning, whose wives keep a servant and sit by a parlour fire. If it is attempted by these latter, the cost of the experiment will fall on the purses of relations, the books of tradespeople, or, what is yet more terrible to think of, the cash-boxes of employers. And here is the consideration which should influence young men to be wary in rushing into expenses, and which should induce employers to apportion the remuneration of servants somewhat more adequately to their position in society, and the necessities entailed by it.

I am, sir, yours obediently,

B.

Oct. 27, 1857.

P.S.—Since the above was written, the letter in your November impression has confirmed the views I have sought to enforce.

#### INTEREST ON OVERDRAWN ACCOUNTS—PAYMENT OF CHEQUES.

SIR,—Will you kindly inform me in your next number if bankers can legally increase their rate of interest on over-drawn accounts, without giving notice to their customers; and also if cheques can be debited from the date they are drawn instead of the time they are paid?

I am, sir, your obedient servant,

EBOR.

[1. Bankers cannot legally increase the rate of interest unless by special agreement or custom.

2. Cheques can only legally be debited from the date of payment.]

#### ARE BANK OF IRELAND NOTES LEGAL TENDER?

SIR,—Are Bank of Ireland notes a legal tender in Ireland? Can other banks pay them in exchange for their own notes?

I am, sir, your obedient servant,

A SUBSCRIBER.

[We presume that Bank of Ireland notes are a legal tender in Ireland,



except at the Bank of Ireland, but we are unable, after some research, to find any authority for the position, and shall be obliged if any of our Irish correspondents will assist us. By the 8 and 9 Vic., c. 37, s. 6, Bank of England notes are not a legal tender in Ireland, although they may be circulated there, but neither that act, nor any of the acts referred to by it, contain any provision on the point in question.

McOullock, in the *Commercial Dictionary*, title "Banking," states the law of tender as regards England, but not as regards Ireland, although he professes to treat of the subject as regards both countries. In Gilbert's *Treatise*, first edition, page 91, he says that Bank of Ireland notes, issued at branches, are not payable in gold anywhere but in Dublin.]

### LIABILITY OF BANK SHAREHOLDERS.

SIR,—Would you be good enough to inform me when a shareholder's liability ceases in a joint-stock bank after he has sold out, or what precautions can he use? Is the Scotch law and English law the same on that point?

I am, yours truly,  
SCRUTATOR.

[A shareholder in an English joint-stock bank is liable for debts contracted by the bank during the time he was a shareholder until he has ceased to be one for three years, and we believe the law in this respect is the same in England and Scotland as regards banks, although it differs as regards other joint-stock companies.]

### LIABILITY OF SURVIVOR ON JOINT NOTE OF HAND.

SIR,—I should esteem it a favour your giving me an answer to the following question :—

A banker agrees to lend £100 to A. for six months on his giving him a promissory joint note with B. for that period. In the event of the death of A. before the note becomes due, could the bank claim the whole of the £100 from B.?

Your reply in your next number for November would oblige,

Sir, yours truly,  
VERITAS.

October 22, 1857.

[B. is liable for the whole £100.]

### CROSSED CHEQUES.

SIR,—Your opinion is requested on the following case :—

A. draws a cheque on his banker, in favour of B. or bearer, crossing it "and Co." B. who has an account with the same banker, presents the cheque to him and receives cash, or pays it in to his account.

Does this come within the meaning of the recent act, which requires that a cheque crossed "and Co.," shall be paid only to or through some banker?

I think your *Magazine* an excellent opportunity for complaining of the practice of issuing forms of warrant for payment of money on large sheets of paper, without any notice to the effect that the fly-sheet, or any other useless part, must not be torn off. I have noticed this practice, especially in the case of payment to soldiers by army agents. Of course the parties



issuing such forms are at liberty to make any regulations they like, but such regulations should be publicly notified.

The practice too of issuing coupons for payment of interest on railway or other debentures, without a notification that the amount thereby payable may be liable to a reduction in respect of income tax, is objectionable, and calculated to mislead. I have known them taken by persons for the amount stated, when the real value of them was the amount, less tax.

Yours obediently,

20th October, 1857.

A BANKER.

[We think it clearly a payment to or through some banker within the meaning of 19 and 20 Vict. c. 25.]

### PRESENTATION OF CHEQUES.

SIR,—Will you have the goodness to favour me with your opinion on the following case?

A. B. paid on Wednesday a cheque on his bankers to C. D., who did not present it for payment until Thursday, when the bank had stopped; and had C. D. presented it on the Wednesday, as he was past the bank several times, it would have been paid, A. B. having a larger credit balance than the amount of the cheque. Upon whom ought the loss to fall?

Your obedient humble servant,

A SUBSCRIBER.

[The loss must fall upon A. B. The law allows the holder of a cheque the whole of the day after its receipt to present it. The fact of C. D. passing the bank is of no consequence. It would lead to endless disputes if such inquiries could be entered into. Thus C. D. might have some very good reason for taking the full time allowed by law. See *Shaw on Cheques*, page 78.]

### RECEIPT.

SIR,—Will you be good enough to give me your opinion upon the following questions?

1. My traveller remits me a sum of money, received in the course of his journey from various customers, to whom he has given the usual stamped receipts. Is it necessary that, in acknowledging to my traveller the safe arrival of such money, I should attach the penny stamp to my letter?

2. I receive from a client in America a bill on Liverpool; I send to my agent in Liverpool to get it accepted; when my agent returns me the bill, must I use the penny stamp in advising him of its safe arrival?

3. A friend sends me a sum of money which he wishes me to transmit to America on his account. In acknowledging to him that I have received his money, must I use the penny stamp, this being a matter in which I have not the slightest interest?

I am, sir, yours respectfully,

20th Nov., 1857.

INQUIRER.

[1. No receipt stamp is necessary unless the receipt is given as a discharge for a debt. None is required in the case put.

2. We think, since the late stamp act, a receipt is necessary; but we are not confident on the point.

3. No receipt stamp is necessary for the reason given above, but it is possible that an agreement stamp might be required.]



## Notes of the Month.

**SAFE IN THE BANK.**—During the recent run on the Union Bank of Glasgow, a gentleman rushed into the bank, in a great state of excitement, with a cheque for £1,400. On being asked if he wished gold, he replied "Yes." "Well," said the teller, "there is £1,000 in that bag, and £400 in this one." The gentleman was so flurried by the readiness with which his demand was granted, that he lifted up the bag with the £400 only and walked off, leaving the £1,000 on the counter. The teller, on discovering that the bag had been left, laid it aside for the time. Later in the day, the gentleman returned to the bank in great distress, stating he had lost the bag with the £1,000, and could not tell whether he had dropped it in the crowd or left it behind him on leaving the bank. "Oh, you left it on the counter," said the teller, quietly; "and if you call to-morrow you will get your thousand pounds."

**THE "RUN" CHANGED INTO A "BOLT."**—A collier in the region of Dalmington determining one day, a week or two ago, not to be any longer humbugged by the banks, withdrew his small hoard of savings in gold, to the extent of two sovereigns; which, for greater security, he immediately *swallowed*! The scene where this extraordinary feat was performed, was one of the numerous public houses in the vicinity of the bank—institutions at all times so proverbial for dissolving the precious metals—and thirst.—*Ayrshire Express*.

**GOLD NUGGET.**—An Australian gold nugget, of extraordinary dimensions, has lately been exhibited in Glasgow. It is about 12 inches in length, 4 inches wide, and  $1\frac{1}{2}$  inches thick. It weighs 400 ounces troy, or about 30 pounds avoirdupois, and is worth £1,600.

**CORN AND CURRENCY STATISTICS.**—It appears from a Parliamentary paper, recently issued, that during the quarter ending the 8th of August last, the notes of the Bank of England afloat amounted to £20,043,000, and the deposits to £15,878,000, while the total assets were in securities £28,364,000, and in bullion £10,973,000. The stock of bullion since August, 1856, has varied from £9,857,000 to £12,434,000. In the month ending the 1st of August last the aggregate monthly circulation of country issues in England and Wales amounted to £6,562,421, that of Scotland to £3,992,477, and that of Ireland to £3,154,880; these amounts, added to £20,616,000, the circulation of the Bank of England, making a gross total of £37,604,603, against an amount of bullion in the Bank coffers of £11,602,000. The gross total circulation in the kingdom throughout the year (from August, 1856, to August, 1857) varied from £37,007,994 to £40,291,009. The *minimum* rate of interest at the Bank this year has been 6 and  $\frac{1}{2}$  per cent., in 1856 it was  $4\frac{1}{2}$ , and in 1855  $3\frac{1}{2}$  per cent. The average weekly price of wheat, in the week ended the 15th of August last, was 59s. 2d.; the *minimum* price this year has been 53s. per quarter, and the *maximum* 63s. 10d. During the first half of the current year, 1857, 1,480,789 quarters of wheat and wheat flour were imported into Great Britain, the average price having been 56s. 8d. per quarter. The quantity imported in 1856 was 4,815,351 quarters; in 1855, 2,949,369 quarters; in 1854, 4,114,144 quarters; and in 1853, 5,420,267 quarters. Of other grain there have been imported this year (first six months) 1,017,598 quarters of barley, 1,646,919 quarters of oats, 24,923 quarters of rye, 92,999 quarters of peas, 170,115 quarters of beans, 293,609 quarters of Indian corn and meal, and 4,683 quarters of malt.

**THE HULL FLAX AND COTTON MILLS COMPANY.**—The liquidators of the Hull Flax and Cotton Mills Company, which failed in September, have made a call of £25 per share on the shares, in addition to the £100 which has already been paid in full. On the £50 shares only £40 had been paid, and the holders of these are



required to pay £12 10s., and an additional £5. On the £25 shares only half has been paid, and the call on them is £12 10s. and an additional £2 10s. The authorized capital of the company was £375,000, the proportion paid up at the time of the stoppage being £244,567 10s. The number of shareholders is 140, and the further claim upon them, in addition to the loss of all their capital, must involve much misery.

**MR. BINGHAM BARING AND THE ROYAL BRITISH BANK.**—In the Court of Exchequer, on the 5th November, Mr. Phipson moved in the case of "*Harris v. The Official Manager of the Royal British Bank*," to set aside an order of Mr. Baron Martin made on the 25th of June last, setting aside the judgment obtained in this cause in so far as the lands of Mr. Bingham Baring were concerned. The judgment was obtained in March, and on the 2nd of May the plaintiff sought to affect the property of Mr. Baring as a registered shareholder by registering a memorandum of the judgment in the Court of Common Pleas, the amount being £4,860. The judgment was obtained against the Bank; the proceeding of the plaintiff took place under the 7th and 8th Victoria, cap. 113, sec. 9, which enacts that—"Every judgment decree or order in any proceeding against the company may lawfully be executed against, and may have the like effect on the property and effects of the company, and also, subject to the provisions hereinafter contained, on the person, property, and effects of every shareholder and former shareholder, as if every individual shareholder had been by name a party to such proceeding." The effect of the Winding-up Act was to place the official manager in the same position as if his name had been used instead of that of the company. The present question turned on the meaning of the words "subject to the provisions hereinafter mentioned." Without those words there would be no doubt that the lands of a shareholder would be liable to judgment against a company, but the contention of the plaintiff was that those words merely referred to the manner and order of executing the judgments, and did not disable the judgment creditor from charging the lands of a shareholder by the registration of his judgment. The order, though purporting to be made by Mr. Baron Martin, was in fact the order of Mr. Justice Willes, who sat for him, and his Lordship had stayed the matter till the fifth day of Term, in order that the point might be raised in Court. The terms of the order were, that "the entry be struck out so far as Mr. Baring was concerned, there being no judgment entered against him, or anything to warrant such an entry." After some discussion as to the construction of various sections of the Act, the Chief Baron stated that it appeared to be monstrous that a judgment creditor should not be able to touch a shareholder's goods without coming to the Court for leave to issue execution, but that he might of his own motion attach all his real estate, which would follow from the contention of Mr. Phipson. The rule, however, might go, but the propriety of drawing it up was questionable, as it would, in all probability, be discharged with costs. Mr. Phipson said, that after that intimation, though the point was one of *great* importance, he should abstain from taking a rule. The Chief Baron—I think you have exercised a very sound discretion.

**PICTURE OF AN ILLINOIS BANK.**—In conclusion I will depict for you an Illinois Bank. A frame-house, a counter so high that you can barely lay your wrists on the sharp edges of it, and so narrow that but one man can approach at a time. The specie scoop hangs high up, like the laws of Nero, but unlike them covered with cobwebs. Your cheque is cancelled in deadly silence. You hear some fumbling behind a green screen. A package of shinplasters as thick as a bull's horn and 25 cents in silver is handed you for your inconsiderate cheque. The bundle is tightly laced, the notes are inside, so that with the other inconveniences you can hardly count them. You open the bundle and sift the Tinkhams, Almondrees, and Wisconsin, and you are peremptorily told, "No use in assorting, that is all you can get." You say, "Please, then, return me my cheque." Answer, "Your cheque is already cancelled." This is the return made you by the best of them for gold advanced on grain. Had the grain gone down you



would have had it, but having gone up they return you such shinplasters for your advances in gold or stand suit.—*St. Louis Republican.*

**THE RUN ON THE IRISH COUNTRY BANKS.**—Among the cases reported are the following:—"A tenant whose arrear of rent had been hopelessly longed for presented himself smilingly to his landlord to pay him; he thumbed down the notes, and got his receipt. The servant letting him out declared that 'it was a sign before death' to see him doing such a thing. 'It is?' says Mike with a grin; 'there's my receipt, and the bank is broke, and the best thing you can do is to advise the master to give what he got to a charity before 'tis found out.' The other case is equally authentic. A farmer came into the Provincial here for some hundred pounds, the hard saving of years, and having been waiting since cock-crow to be first in, he made his 'run' for gold, and was surprised to find the teller so unconcerned, 'telling' away the precious coin. When he had got his tale correct, the official still continued to give him some sovereigns in addition. 'What's this for?' says the honest man. 'For your interest,' the clerk replied. 'Tis surely for my interest, but are you sure you're not giving me what belongs to them that wants it themselves?' 'Take your interest, my good man,' the clerk said; 'it has been lying here for you this long time.' 'O! murder,' ejaculated the simple man, 'and that's what Counsellor Deasy was at asking me for my "vote and interest." I gave him my vote with a heart and a half, but 'twas the will of Heaven I was besaid by the misthis to run on the bank to be beforehand with him, or I never would have seen a sight of my interest.'"

**THE BANKRUPTCY OF MESSRS. STRAHAN, PAUL AND BATES.**—A dividend meeting under the bankruptcy of Messrs. Strahan, Paul and Bates was appointed before Mr. Commissioner Evans, for the 26th November, but the assignees informed the Court, that as a large amount would be received in a few days, by which the estate would be considerably benefitted, they had deemed it prudent to postpone the declaration of a further dividend for the present.

**THE GREAT NORTHERN RAILWAY PREFERENCE SHAREHOLDERS.**—In the Court of Chancery, on the 21st November, the Lord Chancellor delivered judgment in the case of the Great Northern Railway Preference Shareholders. The transactions arose out of the enormous frauds of Leopold Redpath, the circumstances connected with which induced the directors to repudiate the claims of the preference shareholders. The object of the suit, which was commenced before Vice-Chancellor Wood, was to obtain a declaration that the plaintiff, Mr. Henry, and other preference shareholders, were entitled to be paid full dividends from the 30th of June, 1856, before any dividends should be paid to the ordinary shareholders, and to restrain the company by injunction from declaring or paying dividends to the ordinary shareholders, without regard to such rights of the plaintiffs, and the other holders of preference stock. The judgment of the Vice-Chancellor now appealed from was to the effect that the plaintiffs and other holders of preference stock were entitled to be paid dividends out of the property realised by the company from the 30th of June, 1856, before any payment of dividends to the holders of the ordinary stock. The Vice-Chancellor also observed that the 3rd section of the Act of 1857 was cumulative by way of security for, and not in substitution of, such preference dividends. From this decision the company, on behalf of the ordinary stockholders, now appealed.—The Lord Chancellor, after sketching a history of the circumstances under which the preference shares were at various times created, said, in his opinion, the preference shareholders were entitled to their dividends upon the amount of stock held by them from the 30th of June, 1856, before any payment could be made of dividends upon the other shares and stock of the company; and this right of the preference shareholders extended, in his judgment, to a charge upon all accruing profits and dividends of the company. When it was seen that in one construction of the Act the Legislature would have imposed a particular conduct upon the directors, which would be wholly at variance with their duty; and on the other construction of the Act,



that the duty imposed upon them would be quite consistent with justice and with the previous Acts of Parliament, there could be no hesitation in the decision which ought to be come to. Under these circumstances, he was of opinion that if the surplus should be insufficient to pay the preference shareholders in full, they would be entitled to have their claims made good from the following half-year before any payment is made to the rest of the shareholders. The appeal must therefore be dismissed, with costs.

**GOLD IN AUSTRALIA.**—The total quantity of gold exported last year from New South Wales amounted to 42,463 oz., and the value thereof to £138,007. From the colony of Victoria 3,003,806 oz. were exported last year, the value of which, at £4 per oz., was £12,015,224. The quantities of the precious metal that have left Melbourne monthly during the year have been as follows. In the month of January about 80,000 oz. are included, which were cleared at the Customs during the previous year:—January, 350,132 oz.; February, 175,511 oz.; March, 231,425 oz.; April, 134,641 oz.; May, 291,291 oz.

**TRADE AND FINANCE ACCOUNTS.**—A blue-book lately published contains sundry tables of figures, relative to the trade and finance accounts of the kingdom for the financial year 1856-57 (ending the 31st of March last). The total income, including balances, was £75,569,575. The net receipt was £72,794,885. The expenditure of the year was £75,588,667, and the excess of expenditure over income about £3,254,604, taking £72,804,062 as the income, and £75,588,667 as the expenditure. The items of income and expenditure have been already given in former returns. The balances of public money in the treasury on the 31st March last amounted to £8,668,870. The total revenue, after deducting repayments, allowances and drawbacks, was £72,963,151. The sum of £4,086,914 was expended on the collection of the public revenue of the kingdom during the year, out of £4,010,408 voted for the purpose. The net produce of the assessed and land taxes in the whole of the United Kingdom was £3,114,445, and that of the income-tax £16,050,670, making together, £19,165,115. The house-tax yielded £728,256; the tax on servants, £107,895; carriages, £289,922; riding horses, £234,210; other horses and mules, £111,166; dogs, £200,725; horse-dealers, £13,774; hair powder (only) £1,318; armorial bearings, £52,516; and game duty, £134,079. The net receipts from Customs' duties was £23,488,136; from Excise, £13,294,666; and from stamps, £7,896,685. The net produce of the Post-office revenue was £2,909,180. The future annual charge of the public (funded) debt is fixed at £23,488,448, and £70,889 is paid to the Bank of England for the management thereof, besides £13,880 for the expenses of the National Debt Office. The future charge for the Civil List is fixed at £402,864, and the charges on the Consolidated Fund for annuities and pensions is £329,601. As regards trade it is shown that the total value of our imports amounted in 1856 to £127,917,561, and the total value of our exports to £291,867,868. The real or declared value of the produce and manufacture of the United Kingdom exported last year was £115,534,311, against £95,346,429 in 1855, and £96,912,041 in 1854. The "official" value thereof was £258,452,965. In the year 1856 1,865 vessels, of 422,359 tons, were built and registered in the ports of the United Kingdom, and the number of vessels actually registered was 86,106, of 5,316,736 tons, and employing 267,759 men. About 26,000 British and 20,000 foreign vessels appear to be employed in the foreign trade of the kingdom. It is impossible even to glance at these tables without being struck with the immense and almost incredible extent of the resources of this country and the amazing development of its trade.

**SAVINGS BANKS.**—A return to the House of Lords, recently issued, shows that in the year ending the 20th of November, 1856, the excess paid in by savings banks beyond the sums drawn out amounted to £303,009; the excess drawn out by savings banks beyond the sum paid in (including interest) to £701,313; the sums paid for the purchase of stock and Exchequer bills to £2,256,478;



and the dividends received by the commissioners on stock, &c., invested to £1,008,711. The total amount of interest credited to savings banks on the capital sums invested with the commissioners during the same year was £1,109,502.

**ARTIFICIAL GOLD.**—Messrs. Mourier and Vallent, of Paris, have succeeded in forming an alloy which very closely resembles gold. The materials and proportions used by them are—pure copper, 100 parts (by weight); zinc 17; magnesia, 6; sal ammoniac, 3.60; quick lime, 1.80; tartar, 9; The copper is melted in a crucible, in a suitable furnace; the magnesia, sal ammoniac, lime and tartar are then added, separately and by degrees, in the form of powder; the whole is stirred for about thirty minutes to thoroughly mix the ingredients, and the zinc is then thrown on the surface, having first been ground into very small grains; the stirring is continued until the fusion is complete. The crucible is now covered and the fusion continued for about thirty-five minutes, when it is uncovered and skimmed with care, and the contents are run into a mould of moist sand or metal. The material which results may be cast at such a temperature that any ornamental forms may be given to it. It is very fine grained, and is also damascene, malleable, and capable of taking a very brilliant polish. When tarnished by oxidation, its brilliancy can be restored by a little acidulated water. If tin be employed instead of zinc, the alloy will be still more brilliant.

**MERCANTILE BANK OF INDIA, LONDON AND CHINA.**—A dividend of five per cent. and bonus, making together seven per cent. for the half year ending 30th June, has been declared at the head office of this bank in Bombay, and is now payable on demand at the agency, 50, Old Broad Street.

### MERCANTILE SUSPENSIONS.

CERTAINLY, in no period since 1847, have we passed through so distressing a crisis as that embraced in the last four or five weeks. This is exhibited by the following list of failures in various branches of business, those in London having been of the principal importance. It is useless at present entering into the estimates of debts and liabilities, the correct results only being obtainable from the statements which will be presented to the creditors.

October.—Mr. Jas. Condie, Perth, writer.

Messrs. Chas. Smith and Co., Manchester, provision trade.

The Liverpool Borough Bank, Liverpool.

Messrs. Thornton, Huggins, Ward and Co., Huddersfield, &c., American trade.

Messrs. J. S. de Wolf and Co., Liverpool shipowners,

Messrs. Gould and Davis, Liverpool, wine merchants.

Messrs. Robert Morrow, Son and Garbutt, Liverpool, timber merchants.

Messrs. John Haly and Co., London, New York and Canadian trade.

Messrs. J. Jaffray and Co., London, ship and insurance broker.

Mr. Caporn, Nottingham, lace dealer.

November.—Messrs. R. Wilson, Hollett and Co., Liverpool, merchants.

Messrs. Powles, Brothers and Co., London, merchants

Messrs. Naylor, Vickers and Co., Sheffield, &c., iron and steel merchants.

Messrs. W. Orr and Co., Liverpool, merchants.



Messrs. J. and A. Dennistoun, Cross and Co., London, &c., merchants.

The Western Bank of Scotland, Glasgow.

Messrs. Bennoch, Twentyman and Rigg, London, silk trade.

Messrs. Broadway and Barclay, London, East India merchants.

Messrs. Hoge and Co., Liverpool, merchants.

Messrs. John Munro and Co., Paris, merchants.

Messrs. Gallerkamp, Brothers, Amsterdam, merchants.

Messrs. Henry Dutilh and Co., Liverpool, merchants.

Messrs. B. F. Babcock and Co., Liverpool, &c., merchants.

Messrs. Foot and Co., London, silk manufacturers.

The City of Glasgow Bank, Glasgow.

Messrs. Sanderson, Sandeman and Co., London, bill brokers.

Messrs. Guimaraes and Co., Paris, merchants.

Messrs. Wilson, Morgan and Co., London, wholesale stationers.

Messrs. Fish and Skeet, London, provision merchants.

Messrs. T. B. Coddington and Co., Liverpool, iron merchants.

Messrs. Mackenzie, Ramsay and Co., Dundee, merchants.

Messrs. J. Monteith and Co., Glasgow, merchants and calico printers.

Messrs. Draper, Pietroni and Co., London, merchants.

Messrs. Stegman and Co., Nottingham, manufacturers.

Messrs. Bowman, Grinnell and Co., Liverpool, merchants.

Messrs. R. Bainbridge and Co., London, merchants.

Messrs. Munro, Grant and Co., Swansea, timber merchants.

Messrs. Jellicoe and Wix, London, Turkey merchants.

Messrs. José P. De Sá and Co., London, merchants.

Messrs. Bardgett and Picard, London, grain trade.

Messrs. Bourdon, Du Buit and Co., Paris, merchants.

Messrs. Ponson, Phillippe and Vibert, Paris, merchants.

Messrs. F. C. Perry, Wolverhampton, iron trade.

Messrs. W. Riley and Sons, Wolverhampton, iron trade.

The Wolverhampton Iron Company, Wolverhampton.

Messrs. Solby, Brothers, Wolverhampton, iron trade.

Messrs. Rose, Higgins and Rose, Wolverhampton, iron trade.

The Wolverhampton and Staffordshire Banking Company, Wolverhampton.

Messrs. Hoare, Buxton and Co., London, merchants.

Messrs. Edwards and Matthie, London, produce brokers.

Messrs. Clayton and McKevingan, Liverpool, shipbuilders.

Messrs. E. Sieveking and Co., London, merchants.

Messrs. Allen, Smith and Co., London, merchants.

Messrs. Svendsen and Johnson, London, &c., merchants and shipowners.

Messrs. Gorriessen, Huffel and Co., London, merchants.

Messrs. Brocklesby and Wessels, London, corn importers.

Messrs. J. R. Thomson and Co., London, colonial merchants.

Messrs. Ullberg and Orenner, Hamburg, Swedish trade.

Messrs. F. Bloss and Soomburgk, Hamburg, merchants.

Messrs. Sassenberg and Meyer, Bremen, merchants.

Mr. H. Overbeck, Bremen, merchant.

Messrs. Topuz and Co., Smyrna, merchants.

Messrs. Herman Sillem and Co., London, merchants.

Messrs. Carr, Joaling and Co., London, merchants.

Messrs. Alexander Hints and Co., London, merchants.



Messrs. Peniston and Marshall, Liverpool, American provision merchants.

Mr. Jonathan Bottomley, Bradford, spinner.

Messrs. Godfrey, Pattison and Co., Glasgow, merchants.

The Northumberland and Durham Bank, Newcastle-upon-Tyne.

Messrs. Rehder and Boldemann, London, merchants.

Messrs. T. Morris and Sons, Wolverhampton, iron trade.

### MONTHLY CHRONOLOGY.

October 26.—Failure of Mr. James Condie, writer, of Perth, with liabilities to the extent of £180,000.

27.—Announcement of the failure of Messrs. Charles Smith and Co., of Manchester, in the muslin trade.

27. Rate of discount at Hamburg raised to 8½ per cent.

28.—Announcement made by the Liverpool Borough Bank, that in consequence of the failure of an arrangement with the Bank of England, business would not be resumed till further notice.

29.—Suspension of Messrs. Thornton, Huggins, Ward and Co., of Huddersfield and Manchester, in the American trade, with liabilities amounting to £500,000. At a subsequent meeting of creditors, a composition of 15s. in the pound was accepted.

30.—Failure of Messrs. J. S. de Wolf and Co., shipowners, Liverpool.

30.—Suspension of Messrs. Gould and Davis, wine merchants and ship chandlers, Liverpool.

30.—Stoppage of Messrs. Robert Morrow, Son and Garbutt, of Liverpool, timber merchants.

30. Failure of Messrs. John Haly and Co., of London, in the New York and Canadian trade, with liabilities amounting to £80,000.

30.—Suspension of Messrs. J. Jeffray and Co., ship and insurance brokers, London.

30.—Rate of discount at Hamburg raised to 8½ per cent.

30.—The Hon. F. Cadogan resigns his seat as deputy-chairman of the Submarine Telegraph Company.

31.—Failure announced of Mr. Caporn, lace dealer, Nottingham, with liabilities reaching to about £20,000.

November 2.—Acceptances returned of Messrs. R. Wilson, Hallett and Co., Liverpool.

4.—Suspension of Messrs. Powles, Brothers, and Co., of London, merchants. Liabilities about £50,000.

5.—The directors of the Bank of England raised their *minimum* rate of discount from 8 to 9 per cent.

5.—Suspension announced of Messrs. Naylor, Vickers, and Co., steel manufacturers and iron merchants, of Sheffield, Liverpool, Stockholm, New York and Boston, with liabilities estimated at between £500,000 and £600,000.

5.—Failure of Messrs. W. Orr and Co., of Liverpool, engaged in the River Plate trade.

5.—Rate of discount at Hamburg raised to 9 per cent.

8.—Suspension of Messrs. J. and A. Dennistoun, Cross & Co., of London, Glasgow, Liverpool, New York, and New Orleans, in the American trade. The liabilities estimated at £2,000,000.

8.—The Bank of Ireland raises its rate of discount 1 per cent. as follows:—For English and Irish bills not having more than 95 days to run, 9 per cent. per annum, together with a charge of 2s. 6d. per cent. English and Scotch bills having less than five days to run are taken at a commission of 2s. 6d. per cent. in



lien of discount. Applications received for advances on Government or Bank Stock at 9 per cent. per annum.

9.—The directors of the Bank of England make a further advance in the rate of discount, viz., from 9 to 10 per cent.

9.—Announcement made of the suspension of the Western Bank of Scotland, chief office at Glasgow.

9.—Suspension of Messrs. Bennoch, Twentyman and Rigg, of London and Manchester, in the silk trade. Liabilities stated at between £200,000 and £300,000.

9.—Failure of Messrs. Broadway and Barclay, East India and General Merchants, with liabilities extending to £180,000 or £200,000.

9.—Acceptances returned of Messrs. Hoge and Co., of Liverpool; correspondents of Messrs. W. Hoge and Co., of New York.

9.—Suspension of Messrs. John Munro and Co., of Paris, in the American trade.

9.—Failure of Messrs. Gallerkamp Brothers of Amsterdam, merchants.

9.—Stoppage of Messrs. Henry Dutilh and Co., of Liverpool, in the American trade.

10.—Suspension of Messrs. B. F. Babcock and Co., of Liverpool, Glasgow, and New York. Liabilities estimated at £300,000.

10.—Failure of Messrs. Foot, and Co., Spital Square, silk manufacturers. Liabilities, £40,000.

11.—Announcement made that the City of Glasgow Bank had suspended payment.

11.—Intelligence received by telegraph from India, confirming the accounts of the capture of Delhi, and bringing news of the relief of Lucknow by General Havelock.

11.—Suspension of Messrs. Sanderson, Sandeman and Co., bill-brokers, with liabilities said to amount to between £3,000,000 and £3,500,000.

11.—Announcement that the Bank of France had adopted new rates of discount in place of the  $7\frac{1}{2}$  per cent. fixed on the 20th of October, viz., to be 8 per cent. for bills not having more than 30 days to run, 9 per cent. for those under 60 days, and 10 per cent. for those between 60 and 90 days.

11.—Failure of Messrs. Guimaraes and Co., of Paris, in the South American trade, with liabilities of £36,000.

12.—Letter received by the directors of the Bank of England from the first lord of the Treasury and the Chancellor of the Exchequer, authorising the issue of bank notes, beyond the amount limited by the Bank Charter Act, on approved securities, but not at a lower rate of discount than 10 per cent.

12.—Suspension of Messrs. Wilson, Morgan and Co., wholesale stationers. Liabilities about £40,000.

12.—Failure of Messrs. Fitch and Skeet, provision merchants, with liabilities amounting to about £55,000.

12.—Stoppage of Messrs. T. B. Coddington and Co., iron merchants, Liverpool.

12.—Failure of Messrs. Mackenzie, Ramsay and Co., merchants, Dundee, with about £80,000 liabilities.

12.—Suspension of Messrs. J. Monteith and Co., merchants and calico printers, Glasgow.

12.—Rate of discount at Hamburg raised to  $9\frac{1}{2}$  per cent.

13.—Stoppage of Messrs. Draper, Pietroni and Co., connected chiefly with the Italian and Russian trades. Liabilities estimated at £300,000.

13.—Suspension of Messrs. Bowman, Grinnell and Co., of Liverpool, in the American trade.

13.—Failure of Messrs. R. Bainbridge and Co., of London, in the American trade. Liabilities between £30,000 and £40,000.

13.—Suspension of Messrs. Munro, Grant and Co., Swansea, timber merchants.

13.—Stoppage of Messrs. Steegman and Co., manufacturers, Nottingham.

15.—Failure of Messrs. Jellicoe and Wix, Turkey merchants.

15.—Suspension of Messrs. José, P. De Sá and Co., in the Brazilian trade:



16.—Meeting of the Privy Council, at which a proclamation was issued for the assembling of Parliament on the 3rd December.

16.—Rate of discount at Hamburg reduced to  $9\frac{1}{2}$  per cent.

16.—Suspension of Messrs. Bardgett and Picard, in the grain trade, with liabilities amounting to £120,000.

16.—Failure, at Paris, of Messrs. Bourdon, Du Buit and Co.

16.—Failure of Messrs. Ponson, Philippe and Vibert, Paris.

16.—The following firms in the iron trade, at Wolverhampton, issued circulars calling together their creditors:—Mr. F. C. Perry; Messrs. W. Riley and Sons; the Wolverhampton Iron Companies; Messrs. Solly Brothers; and Messrs. Rose, Higgins and Rose.

17.—Announcement of the suspension of the Wolverhampton and Staffordshire Bank.

17.—Stoppage of Messrs. Hoare, Buxton and Co., in the Swedish trade.

17.—Suspension of Messrs. Edwards and Matthie, East India and Colonial produce brokers.

17. A meeting of the creditors of Messrs. Clayton and McKeverigan, ship-builders, Liverpool, when a composition of 7s. in the pound was accepted on £22,000 liabilities.

18.—Suspension of Messrs. E. Sieveking and Co., in the Swedish trade. Liabilities upwards of £400,000.

18.—Failure of Messrs. Allen, Smith and Co., in the Danish trade.

18.—Suspension of Messrs. Svendsen and Johnson, merchants, shipowners, and coal exporters, of London, Newcastle and Hartlepool.

18.—Stoppage of Messrs. Gorrisson, Huffell and Co., merchants, chiefly trading with America.

18.—Failure of Messrs. Brocklesby and Wessels, corn importers and factors, with 40,000 liabilities.

19.—Suspension of Messrs. Godfrey, Pattison and Co., of Glasgow, merchants, Liabilities nearly £300,000.

19.—Rate of discount at Hamburg receded to  $8\frac{3}{4}$  per cent.

20.—Suspension announced of Messrs. J. R. Thomson and Co., in the Colonial trade. Liabilities supposed to be between £200,000 and £300,000.

20.—Rate of discount at Hamburg again advanced from  $8\frac{3}{4}$  to  $9\frac{1}{4}$  per cent.

23.—Suspension announced of Messrs. Ullberg and Crenner, of Hamburg, engaged in the Swedish trade. Estimated liabilities over £1,000,000.

23.—Failure of Messrs. F. Bloss and Schomburgk, Hamburg, merchant.

23.—Stoppage of Messrs. Sassenberg and Meyer, of Bremen, merchants. Liabilities about £20,000.

23.—Failure of Mr. H. Overbech, merchant, Bremen, with liabilities estimated at about £20,000.

23.—Suspension of Messrs. Topuz and Co., of Smyrna, merchants, with liabilities of about £40,000.

24.—Suspension of Messrs. Herman Sillem and Co., London, merchants. The liabilities stated to be between £250,000 and £300,000.

24.—Failure of Messrs. Carr, Joaling, and Co., London, merchants. The liabilities are supposed to reach about £300,000.

24.—Stoppage of Messrs. Alexander Hintz and Co., merchants and dealers in Colonial produce.

24.—Suspension of Messrs. Peninston and Marshall, of Liverpool, American provision merchants.

24.—Suspension of Mr. Jonathan Bottomley, of Bradford, spinner.

25.—Suspension of the Northumberland and Durham District Bank, Newcastle-upon-Tyne.

25.—Stoppage of Messrs. Rehder and Boldemann, engaged in the German trade, with liabilities to the extent of about £100,000.

25.—Failure of Messrs. T. Morris and Sons, Wolverhampton, in the iron trade. The liabilities are set down at £40,000.

The failures announced to have taken place, during the past month in the United States, are comprised in the following list:—



The New Bedford Bank.  
 The Hartford Bank.  
 The Fairhaven Bank.  
 The Augusta Bank.  
 The Worcester Bank.  
 The Portland Bank.  
 The Bank of Manchester.  
 The Petersburg Bank.  
 The Lawrence Bank.  
 The Methuen Bank.  
 The Bank of Bangor.  
 The Trenton Bank.  
 The Brooklyn Bank.  
 The Albany Bank.  
 The Pacific Mills Corporation. Lawrence.  
 The Louisville Central Bank, New Orleans.  
 Messrs. J. L. Johnson and Co., New Orleans.  
 The Bridgeport Bank, Connecticut.  
 The Nashville Bank.  
 The Missouri Iron Works, Wheeling, Virginia.  
 Messrs. Pringle, Cook and Lanhart, Brownsville, Pennsylvania.  
 Messrs. Harper, Brothers, Publishers, New York.  
 Messrs. J. H. Colton and Co., Publishers, New York.  
 Messrs. H. Cowperthwaite and Co., Publishers, New York.  
 Messrs. John P. Jewett and Co., Publishers, New York.  
 Mr. J. S. Redfield, Publisher, New York.  
 Mr. P. J. Cozzens, Publisher, New York.  
 Messrs. Miller, Orton and Co., Publishers, New York.  
 Mr. Richard Marsh, Publisher, New York.  
 Messrs. J. M. Emerson and Co., Publishers, New York.  
 Messrs. Miller and Curtis, Publishers, New York.  
 Messrs. Bangs, Brother, and Co., Publishers, New York.  
 Messrs. G. P. Putnam and Co., Publishers, New York.  
 Messrs. Sanford and Swords, Publishers, New York.  
 Messrs. H. W. Derby and Co., Publishers, New York.  
 Messrs. Fowlers and Wells, Publishers, New York.  
 Messrs. Robb, Hallett, and Co., New York and New Orleans, Exchange  
 Brokers.  
 Messrs. Lord, Warren, Evans and Co., New York.  
 Messrs. Ross, Mitchell and Co., Toronto.  
 The Dunneil Manufacturing Company, Providence.  
 Messrs. Winslow, Lanier and Co., New York.  
 Messrs. Frost and Forrest, New York.  
 Messrs. S. and T. Laurence, New York.  
 Messrs. Sampson, Baldwin and Co., New York.  
 Messrs. W. Greenhow and Co., Boston.  
 Mr. J. M. Holden, Boston.  
 Mr. George Forsaith, Boston.  
 Messrs. Keith and Thornton, Boston.  
 Messrs. J. W. Carter and Co., Boston.  
 Mr. W. P. B. Brooks, Boston.  
 Messrs. Tesson and Dangen, St. Louis.  
 Messrs. J. K. Doherty and Co., New Orleans.  
 Messrs. Raiquel and Co., New Orleans.  
 The Jeffersonville Branch of the State Bank of Indiana, St. Louisville.  
 Messrs. Warrell, Cotes and Co., Importers, Philadelphia.  
 Messrs. John Hooper, Son and Co., Dry Goods Dealers, Philadelphia.  
 Messrs. C. and A. Ives, Bankers, Detroit.



## BANK CHANGES.

A BRANCH of the Royal Bank of Scotland has been opened at Galashiels, by Mr. Hugh Lees, in the premises formerly occupied by the Western Bank.

A branch of the Bank of Scotland has been opened at Galashiels, by Mr. William Rutherford, who has resigned the agency of the City of Glasgow Bank.

Mr. Walter Thorborn, late agent for the City of Glasgow Bank at Peebles, has been appointed to the agency of the Bank of Scotland.

A branch of the Royal Bank of Scotland has been opened at Forfar, in the premises of the Western Bank.

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## Monetary Intelligence.

### REVIEW OF THE MONEY MARKET FOR THE MONTH OF NOVEMBER, 1857.

THE course of financial and mercantile affairs during the past month has been of the most chequered character. With a further advance in the rate of discount from 8 to 10 per cent., the occurrence of a crisis, and the suspension of the Bank Charter Act, it may readily be supposed the position of business has not been satisfactory, while the number of failures which have taken place have created general gloom and despondency. In this condition of things, the issue of the Government letter has produced some benefit, but it has not yet had time to effect a full resuscitation, the panic having progressed too far to render its operation immediate. The consequences of the late suspensions, dangerous as they have been, have not proved so pernicious as might have been anticipated, though the character and importance of the houses show the effect of continuous high rates of discount upon the commercial community. A steady restoration of confidence now appears to be expected, but it will, under any circumstances, be slow and progressive, the shock given by the late revulsion having created excessive apprehension. The speculators have not been so active during this panic as they were in that of 1847, although, nevertheless, unfounded rumours have from time to time been circulated with respect to the position of houses whose credit still remains undoubted. The influx of the precious metals, and the advice of additional remittances from Australia, will assist to ease the condition of the money market, the recovery in America being likewise calculated to facilitate the movement. At one period during the crisis, it was almost impossible to negotiate paper at all, and the charge under the most favourable circumstances was 12 and 13 per cent. Within the last few days greater readiness has been manifested to discount, and the quotation by the principal brokers is now a fraction below 10 per cent. The imports of the precious metals continue on a large scale, and sovereigns are returning from Scotland and Ireland, the run for gold in those localities having terminated.

English securities have fluctuated from 3 to 4 per cent., but they now show a general recovery. Of course, great depression took place in the midst of the panic, the operations having been on the adverse side. From 90½ they dropped to 87½; but although the speculators exhibited a desire to carry out further transactions for the fall, the public became purchasers and have created a reaction, which has terminated in a general advance, Consols being at the latest moment 91½. Exchequer bills may be quoted 4 discount to par, and Bank Stock 215 to 216.

Foreign stocks have varied to the extent of between 2 and 4 per cent.



The operations, even at the most unfavourable period, have not produced a great effect; but the speculators, fearing a sudden change, have not had the courage to enter into important transactions. Quotations are now generally better, the influence of the latest purchases having proved in a degree beneficial. Turkish, Russian, and Dutch have been very heavy, but they are once more a shade higher.

Railway shares, as might have been anticipated, have experienced a decline of from 4 to 5 per cent. The dealings show that some speculative operations have occurred through the discovery created by the panic, but the decline after all has not been extensive compared with the gravity of the events which have taken place. Now the reaction has come, the effect will be important, especially if, as is expected, money should be cheapened.

Joint-stock bank shares have suffered from sales, and at one period of the month, there was considerable depreciation. The disgraceful reports circulated with respect to the situation of these establishments, and the extent to which it was said the deposits had been trenched upon, caused temporary apprehension.

The following are the fluctuations in the English and Foreign Stocks, and Railway Shares, during the month just concluded:—

	Price on Oct. 29.	Highest.	Lowest.	Price on Nov. 28.
<b>ENGLISH FUNDS.</b>				
Consols ... ..	88½-89½	90½	87½	91½
Exchequer bills ... ..	10/to 15/d.	6s. dis.	39s. dis.	4s. dis. to par.
<b>FOREIGN STOCKS.</b>				
Brazilian ... ..	99½	100	98	98½
Buenos Ayres ... ..	81½	84	82½	84
Chilian ... ..	101½	103	100	102
Dutch, 2½ per cent. ... ..	63½	64½	63½	64
Mexican ... ..	19½	19½	17½	18½
Peruvian, 4½ per cent. ... ..	76½	77	74	76
Russian ... ..	104½	106	104	105½
Spanish ... ..	41	41½	39½	40½
Turkish, 6 per cent. ... ..	87½	89½	86½	89
Ditto, 4 per cent. ... ..	97½	98½	95½	98½
<b>RAILWAY SHARES.</b>				
Brighton ... ..	102½	104½	100	104½
Caledonian ... ..	77½	79	66	78
Eastern Counties ... ..	53½	55	50	55
Great Northern ... ..	94	95	91½	92½
Great Western ... ..	51	51½	45½	50
Lancashire and Yorkshire... ..	92½	93½	88	91½
London and North Western ... ..	95½	96½	92½	95½
Midland ... ..	82	83½	79½	83½
North Staffordshire ... ..	13½	13½	12½	13½
South Eastern ... ..	62½	63½	59	62½
South Western ... ..	88½	89½	81½	88
York, Newcastle, and Berwick ... ..	91	92	88	92½
York and North Midland ... ..	78	80½	74½	80½
East Indian... ..	100½	107½	99½	107½
Northern of France ... ..	...	34½	33½	34½



## THE GRAIN TRADE.

THROUGHOUT the month there has been more animation generally in the grain trade. From abroad the importations have been heavy, and at the various markets throughout the kingdom the supplies of home grown cereals have been more than equal to the demand. The fine open weather lately experienced has been very favourable for agricultural operations. These circumstances combined have had a tendency to materially depreciate prices. The fall in wheat has been from 5*s.* to 6*s.* per quarter, and in barley from about 4*s.* to 5*s.* per quarter; oats have also declined, but not to so great an extent.

The *Gazette* returns for England and Wales have been :—

Week ending 1887.	Wheat. Qrs. sold.	Weekly Average. <i>s.</i> <i>d.</i>	Six Weeks' Average. <i>s.</i> <i>d.</i>	Duty. <i>s.</i> <i>d.</i>	Corresponding Six Weeks Last Year. <i>s.</i> <i>d.</i>
Oct. 24 .....	103,645	55 6	56 3	1 0	65 1
" 31 .....	102,059	53 11	55 10	1 0	65 4
Nov. 7 .....	91,319	52 6	55 0	1 0	65 6
" 14 .....	91,010	51 8	54 2	1 0	65 5
" 21 .....	94,088	51 3	53 6	1 0	65 2

The importations since the harvest of 1856 have been :—

	Wheat. Qrs.	Other Grains. Qrs.	Total Qrs.
Sixty-five weeks ended 14th Oct. ...	4,698,208	4,716,347	9,414,555
Five weeks ended 18th November ...	526,430	497,009	1,023,439
	5,224,638	5,213,356	10,437,994

And the weekly averages have been :—

Sixty-five weeks ended 14th Oct. ...	72,000	72,000	144,000
Five weeks ended 18th November ...	105,000	99,000	204,000
More	33,000	27,000	60,000

## THE STATE OF TRADE.

The state of trade in the manufacturing districts has been exceedingly depressed through the Banking and commercial crisis, and the temporary suspension of general industry. There is now, however, a more hopeful feeling, and it is expected a partial recovery will take place.

## NOTICES TO CORRESPONDENTS.

The pressure upon space will account for the omission of two or three communications.

Letters to ensure punctual attention should be forwarded by the 20th of the month.

VERAL.—The question is worthy of consideration, but it will be shortly so fully discussed, that the particular view need not be enforced at this moment.

JUNON.—Very safe for reference. The volume can be procured at any bookseller.

A. R. W. (Ilford).—The communication shall appear next month.



# THE ENGLISH FUNDS.—Daily Prices from 28th October, to 27th November, 1857, inclusive.

	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Bank Stock, div 5 $\frac{1}{2}$ p.c. 1-year	207	207	209	210	210	210	210	209	209	211	211	211	211	211	211	209	213	213	214	214	214	214	214	214	214	214	214	215	215	216	216
3 per Ct. Red. Anns.	88	88	88	89	89	89	89	87	87	87	87	87	87	87	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	89	89
3 per Ct. Consols Anns.	88	88	88	89	89	89	89	88	88	88	88	88	88	88	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	90	90
New 3 per cent. Anns.	88	88	88	89	89	89	89	87	87	87	87	87	87	87	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	89	89
New 3 $\frac{1}{2}$ per cent.	..	..	..	..	..	..	..	73	73	73	73	73	73	73	72	72	74	74	74	74	74	74	74	74	74	74	74	74	75	75	75
5 per cent.	..	..	..	..	..	..	..	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Long Anns. Jan. 5, 1860	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Ditto 30 years, Oct. 10, 1850	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto 30 years, Jan. 5, 1860	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto 30 years, Apr. 5, 1855	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India Stock (div. 104 percent.)	208	210	209	210	210	210	210	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212	212
Do. Bonds £1000 (div. 4 p.c.)	40sd	43sd	43sd	43sd	43sd	43sd	43sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd	40sd
Ditto, under £500	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Bank stock for ac. 7th Dec.	88	89	89	90	90	90	90	88	88	88	88	88	88	88	89	89	89	89	89	89	89	89	89	89	89	89	89	89	89	90	90
3 p. Ct. Cons. for ac. 10th Nov.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto for account 7th Dec.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India Stock for ac. 7th Dec.	13sd	11sd	13sd	13sd	13sd	13sd	13sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd
Ex. Bills £1000, 24d. per diem	13sd	11sd	13sd	13sd	13sd	13sd	13sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd
Ditto, £500 do.	13sd	11sd	13sd	13sd	13sd	13sd	13sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd
Ditto, Small do.	13sd	11sd	13sd	13sd	13sd	13sd	13sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd	10sd
Ditto Bonds A 1858 31p.c.	..	..	..	..	..	..	..	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98	98
Ditto under £1000	..	..	..	..	..	..	..	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97
Ditto B 1855	..	..	..	..	..	..	..	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97
Ditto under £1000	..	..	..	..	..	..	..	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97	97

## JOINT-STOCK BANKS.

	London	Latest Prices.
Australasia	£40 sh.,	£79
British North American	50	0
Bank of London	50	0
Commercial of London	100	0
Colonial	100	0
City Bank	100	0
London and Westminster	100	0
London Joint Stock	50	10
Oriental Bank	25	0
Provincial of Ireland	100	0
National Bank	50	0
National Provincial of England	100	0
South Australian	25	0
Union of Australia	25	0
Union of London	25	0
London and County	50	0
London Chartered of Australia	20	0
Bank of India & Austr. Chartrd.	20	0
New South Wales	20	0
Bank of Egypt	25	18
Ottoman Bank	20	0

## FOREIGN STOCKS (27th November.)

Brazilian Bonds, 5 per Cent.	98 $\frac{1}{2}$
Chilian Bonds, 6 per Cent.	102
Danish 3 per Cent.	101
Mexican 3 per Cent.	188
Peruvian 4 $\frac{1}{2}$ per Cent.	78
Portuguese Bonds, 3 per Cent.	43 $\frac{1}{2}$
Russian Bonds, 1852, 5 per Cent. in £ Ster.	100
Ditto, 4 $\frac{1}{2}$ per Cent.	98 $\frac{1}{2}$
Spanish Bonds 3 per Cent.	25
Turkish 6 per Cent.	88 $\frac{1}{2}$
(Dividends on the above payable in London.)	
Dutch 2 $\frac{1}{2}$ per Cent.	68 $\frac{1}{2}$
Ditto 4 per Cent. Loan	96 $\frac{1}{2}$
French 4 $\frac{1}{2}$ per Cent., at Paris, Nov. 26, 90f.	80c.
Ditto 3 per Cent., ditto	67 $\frac{1}{2}$ 30c.

## RAILWAY SHARES.

	COMPANY.	Paid up	Prices per 57.
Caledonian..	..	100	77 $\frac{1}{2}$
Eastern Counties..	..	100	54 $\frac{1}{2}$
Great Northern ..	..	100	93 $\frac{1}{2}$
Great Western ..	..	100	50 $\frac{1}{2}$
London and Blackwall ..	13 $\frac{1}{2}$	..	56
London and Brighton ..	100	102 $\frac{1}{2}$	169 $\frac{1}{2}$
North-West ..	100	95 $\frac{1}{2}$	88 $\frac{1}{2}$
South-West ..	100	81 $\frac{1}{2}$	83
South-Eastern ..	100	62 $\frac{1}{2}$	62 $\frac{1}{2}$
York, Newcastle, & Berwick	100	91	92 $\frac{1}{2}$
York & North Midland ..	100	78	79

The closing prices of the day are quoted.



# Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows:—

## ISSUE DEPARTMENT.

	1857. Oct. 3rd.	1857. Oct. 10th.	1857. Oct. 17th.	1857. Oct. 24th.
Notes issued .....	£ 34,553,315	£ 34,014,510	£ 23,400,430	£ 23,253,105
Government debt .....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities .....	3,459,000	3,459,000	3,459,000	3,459,000
Gold coin and bullion .....	10,070,515	9,559,510	8,925,430	8,777,105
Silver bullion .....	—	—	—	—
	£ 34,553,315	£ 34,014,510	£ 23,400,430	£ 23,253,105

## BANKING DEPARTMENT.

	1857. Oct. 3rd.	1857. Oct. 10th.	1857. Oct. 17th.	1857. Oct. 24th.
Proprietors' capital .....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve .....	3,043,020	3,040,388	3,222,817	3,230,420
Public deposits (including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts) .....	5,343,317	6,507,336	4,833,021	4,901,740
Other deposits .....	10,005,283	9,667,129	11,132,431	11,263,086
Seven day and other bills .....	877,439	873,580	869,070	819,442
	£ 37,619,067	£ 37,554,317	£ 34,610,339	£ 34,737,667
Government securities (including Dead Weight Annuities) .....	10,593,607	10,560,607	10,354,541	10,354,541
Other securities .....	21,835,843	22,298,677	20,530,385	20,404,507
Notes .....	4,606,040	4,634,400	3,217,185	3,433,840
Gold and silver coin .....	584,377	870,433	560,048	592,680
	£ 37,619,067	£ 37,554,317	£ 34,610,339	£ 34,737,667

## The Exchanges.

	Sept. 25th.	Oct. 2nd.	Oct. 9th.	Oct. 16th.
Amsterdam, short ..	11 16	11 16	11 16	11 16½
Ditto 3 months ..	11 19½	11 19½	11 19½	11 0
Rotterdam, ditto ..	11 19½	11 19½	11 19½	11 0
Antwerp, ditto .....	25 42½	25 40	25 42½	25 52½
Brussels, ditto .....	25 42½	25 40	25 42½	25 52½
Hamburg, ditto .....	13 0½	13 0½	13 0½	13 10½
Paris, short .....	25 25	25 27½	25 25	25 30
Paris, 3 months .....	25 02½	25 02½	25 02½	25 00
Marseilles, ditto .....	25 05	25 02½	25 05	25 00
Frankfort, ditto .....	118½	110½	119½	119½
Vienna, ditto .....	10 35	10 35	10 35	10 42
Trieste, ditto .....	10 35	10 35	10 35	10 40
Petersburgh, ditto ..	86½	85½	85½	85½
Madrid, ditto .....	49½	49½	49½	49
Cadix, ditto .....	50	50	49½	49½
Leghorn, ditto .....	30 2½	30 7½	30 10	30 20
Genoa, ditto .....	25 73½	25 73½	25 73½	25 85
Naples, ditto .....	42½	42½	42½	42½
Palermo, ditto .....	127½	127½	127½	127
Messina, ditto .....	128	127½	128	127
Lisbon, ditto .....	52½	52½	52½	52½
Oporto, ditto .....	52½	52½	52½	52½
Rio Janeiro 60 dys. 'dte	—	—	—	—

## PRICES OF BULLION.

	Per Ounce.	Per Ounce.	Per Ounce.	Per Ounce.
Foreign Gold in Bars .. (Standard) .....	£ 3 17 9	£ 3 17 9	£ 3 17 9	£ 3 17 9
Mexican Dollars .....	0 0 0	0 0 0	0 0 0	0 0 0
Silver in Bars (Stand.) ..	0 0 0	0 0 0	0 3 1½	0 0 0



# Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria c. 32; extracted from the LONDON GAZETTE.

## PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Oct. 3	Oct. 10.	Oct. 17.	Oct. 24.
	£	£	£	£	£
1 Andover Bank .....	17,751	11,452	11,998	12,719	11,216
2 Ashford Bank .....	11,849	12,438	13,937	11,587	9,005
3 Aylesbury Old Bank .....	48,461	28,925	29,247	29,180	29,670
4 Baldock and Biggleswade Bank ...	37,223	30,347	30,598	31,920	31,702
5 Barnstaple Bank .....	17,182	10,326	11,146	10,800	10,575
6 Basingstoke and Odiham Bank ...	24,730	24,606	25,446	24,509	22,905
7 Bedford Bank .....	34,218	34,973	35,627	34,071	29,381
8 Bewdley Bank .....	18,597	10,978	11,999	12,473	12,569
9 Bicester and Oxfordshire Bank ...	27,090	15,118	15,650	16,149	15,965
10 Birmingham Bank—Attwoods & Co.	23,695	25,003	22,556	23,291	23,690
11 Birmingham and Warwickshire Bk.	18,132	8,110	8,712	8,994	9,312
12 Blandford Bank .....	9,723	6,482	6,904	7,241	7,078
13 Boston Bank—Garfit and Co. ....	75,069	78,689	69,126	70,550	69,955
14 Boston Bank—Gee and Co. ....	15,161	14,967	14,972	15,051	14,152
15 Bridgewater Bank .....	10,028	7,710	8,002	7,902	8,049
16 Bristol Bank .....	48,277	34,360	37,373	35,333	33,776
17 Broseley and Bridgenorth Bank ...	26,717	17,574	18,494	18,060	17,289
18 Buckingham Bank .....	29,557	26,705	27,327	27,623	26,760
19 Bury and Suffolk Bank .....	82,362	71,672	72,915	73,387	72,810
20 Banbury Bank .....	43,457	38,852	39,436	38,492	36,995
21 Banbury Old Bank .....	55,153	31,512	33,387	34,661	35,080
22 Bedfordshire Leighton Buzzard Bk.	36,829	38,397	39,029	36,635	33,533
23 Birmingham Bk.—Lloyds & Co. ...	38,816	29,664	31,360	31,573	30,157
24 Bradford Old Bank .....	12,676	11,416	12,253	12,349	12,440
25 Brecon Old Bank .....	68,271	60,059	61,535	61,526	65,920
26 Brighton Union Bank .....	33,794	17,199	18,088	17,658	17,731
27 Burlington and Driffield Bank .....	12,745	12,797	12,656	12,143	12,012
28 Bury St. Edmund's Bank .....	3,201	3,072	3,139	3,144	2,930
29 Cambridge Bk.—Mortlock & Co.	25,744	12,330	13,200	13,882	13,924
30 Cambridge and Cambridgeshire Bk.	49,916	49,623	48,534	49,039	48,103
31 Canterbury Bank .....	33,671	31,475	34,915	33,894	32,402
32 Carmarthen Bank .....	23,597	22,975	22,967	23,230	24,337
33 Chertsey Bank .....	3,436	2,596	2,615	2,333	2,725
34 Colchester Bank .....	25,082	18,680	17,741	17,771	18,385
35 Colchester and Essex Bank .....	48,704	36,490	39,190	40,771	39,477
36 Cornish Bank—Tweedy & Co. ...	49,869	49,588	49,005	48,623	47,560
37 Coventry Bank .....	12,045	6,535	6,847	7,114	7,250
38 City Bank, Exeter .....	21,527	19,831	20,425	20,244	19,890
39 Craven Bank—Aleccks & Co. ...	77,154	76,511	77,393	76,167	75,088
40 Chepstow Old Bank .....	9,387	9,475	9,455	9,552	8,822
41 Derby Bank—Messrs. Evans .....	13,332	10,169	10,716	11,526	11,450
42 Derby Bank—Smith and Co. ....	41,304	43,081	42,310	39,403	38,006
43 Derby Old Bank .....	27,237	28,411	28,879	25,711	25,545
44 Devizes and Wiltshire Bank .....	20,674	8,497	8,628	9,066	9,808
45 Diss Bank .....	10,657	9,773	10,260	10,270	9,500
46 Doncaster Bank and Retford Bank	77,400	71,076	72,673	73,281	72,754
47 Darlington Bank ..	86,218	88,382	86,422	84,166	83,026
48 Devonport Bank .....	10,664	9,307	8,740	8,646	8,985
49 Dorchester Old Bank .....	48,807	48,300	48,446	50,011	47,870
50 East Cornwall Bk.—Robins & Co.	112,280	98,458	97,715	97,713	97,268
51 East Riding Bank—Bower & Co.	53,392	53,117	52,238	51,711	50,178
52 Essex Bk. & Bishops Stortford Bk.	69,637	45,723	48,991	47,430	45,873
53 Exeter Bank .....	37,894	27,430	28,406	27,954	27,136
54 Faringdon Bk. & Bk. of Wantage	8,977	7,686	8,733	8,504	7,830
55 Farnham Bank .....	14,202	9,876	9,689	9,791	10,906
56 Faversham Bank .....	6,681	6,455	6,772	6,435	5,713
57 Godalming Bank .....	6,322	5,590	5,591	5,601	5,189



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Oct. 2.	Oct. 10.	Oct. 17.	Oct. 24.
	£	£	£	£	£
58 Guildford Bank .....	14,524	13,212	13,256	13,585	13,336
59 Grantham Bank—Hardy and Co. ....	30,372	27,585	30,111	30,374	29,330
60 Hereford City and County Bank..	22,364	19,642	20,032	20,588	24,930
61 Hull & Kingston-upon-Hull Bank ..	19,979	16,787	19,388	21,468	21,708
62 Huntingdon Town & County Bank ..	56,591	55,567	55,515	53,739	52,194
63 Harwich Bank .....	5,778	5,028	4,908	5,162	5,270
64 Hertfordshire, Hitchin Bank .....	38,764	31,862	33,842	33,364	31,616
65 Hereford, Ross, & Archenfield Bk. ....	27,625	27,444	27,871	28,893	25,603
66 Ipswich Bank .....	21,901	22,285	23,185	20,770	19,872
67 Ipswich & Needham Market Bank ..	80,699	67,330	70,635	70,363	67,537
68 Kentish Bank—Mercer & Co. ...	19,895	11,881	13,126	13,742	16,451
69 Kingston and Radnorshire Bank...	26,050	26,010	25,950	25,866	25,901
70 Knaresborough Old Bank .....	21,825	20,929	21,673	21,860	21,541
71 Kendal Bank .....	44,663	44,033	44,945	44,047	44,879
72 Longton Staffordshire Bank .....	5,624	5,153	5,281	5,277	5,138
73 Leeds Bank .....	53,357	51,676	55,595	53,740	52,350
74 Leeds Union Bank .....	37,459	37,400	37,167	37,180	37,752
75 Leicester Bank .....	32,322	28,058	29,366	33,309	32,491
76 Lewes Old Bank .....	44,836	19,878	20,101	19,455	19,148
77 Lincoln Bank .....	100,342	91,339	94,550	96,826	95,279
78 Llandovery Bank & Llandilo Bank ..	32,945	31,235	31,436	30,153	27,730
79 Loughborough Bank .....	7,359	8,365	7,977	6,945	5,785
80 Lynton Bank .....	5,038	3,875	3,789	3,701	3,538
81 Lynn Regis and Lincolnshire Bank ..	42,817	39,226	42,943	41,374	40,020
82 Lynn Regis and Norfolk Bank ...	13,917	13,455	13,390	13,301	13,400
83 Macclesfield Bank .....	15,760	14,772	15,429	15,446	14,765
84 Manningtree Bank .....	7,692	2,163	2,232	2,111	1,866
85 Merionethshire Bank .....	10,906	10,561	10,292	10,389	11,388
86 Miners' Bank .....	18,688	19,017	18,161	17,803	17,191
87 Monmouthshire Agricultural and Commercial Bank .....	29,335	25,419	28,360	26,561	26,274
88 Monmouth Old Bank .....	16,385	16,745	16,777	16,252	14,968
89 Newark Bank .....	28,788	22,138	22,931	22,815	22,358
90 Newark and Sleaford Bank .....	51,615	49,328	50,459	51,710	51,555
91 Newbury Bank .....	36,787	20,935	22,046	21,627	20,886
92 Newmarket Bank .....	23,098	19,486	20,303	21,623	21,918
93 Norwich Crown Bank and Norfolk and Suffolk Bank .....	49,671	49,750	49,394	49,649	47,627
94 Norwich and Norfolk Bank .....	105,519	106,355	105,895	99,259	97,024
95 Nottingham, Nottinghamshire ...	10,866	10,167	9,645	10,130	10,274
96 Nuneaton Bank .....	5,898	2,765	3,411	3,940	3,593
97 Naval Bank, Plymouth .....	27,321	21,775	22,723	22,990	22,833
98 New Sarum Bank.—Everett and Pinckneys .....	15,659	9,423	10,280	10,086	10,410
99 Nottingham Bank .....	31,047	34,175	31,741	28,441	28,841
100 Oswestry Bank .....	18,471	12,524	13,047	12,562	11,832
101 Oxford Old Bank .....	34,391	27,260	28,231	29,680	31,661
102 Old Bank, Tonbridge .....	13,183	6,562	7,783	7,735	7,777
103 Oxfordshire Witney Bank .....	11,852	11,784	11,085	10,547	11,006
104 Pease's Old Bank, Hull .....	48,807	45,561	45,388	45,400	44,551
105 Penzance Bank .....	11,405	10,955	10,429	9,965	10,297
106 Peterborough Bank—Yorke & Co. ....	12,545	11,700	11,929	13,193	12,356
107 Pembrokehire Bank .....	12,910	14,293	13,710	10,686	11,692
108 Reading Bank—Simmonds & Co. ....	37,519	29,500	30,154	30,520	29,805
109 Reading Bk.—Stephens & Blandy ..	43,271	30,544	31,550	30,769	30,487
110 Richmond Bank, Richmond .....	6,889	6,695	7,042	6,475	6,275
111 Rochdale Bank .....	5,590	4,343	4,526	4,263	4,603
112 Rochester, Chatham, & Strood Bk. ....	10,480	8,145	8,563	8,130	7,656
113 Royston Bank .....	16,393	14,291	13,885	13,967	13,300
114 Rugby Bank .....	17,250	10,460	10,999	10,990	10,525
115 Rye Bank .....	29,864	11,994	11,883	11,563	13,985



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Oct. 5.	Oct. 12	Oct. 19.	Oct. 26.
	£	£	£	£	£
116 Ross Old Bank, Herefordshire ...	4,420	4,417	4,058	4,280	4,239
117 Saffron Walden & North Essex Bk.	47,646	26,612	26,766	26,911	27,093
118 Salop Bank .....	22,338	13,434	15,408	16,023	15,539
119 Scarborough Old Bank .....	24,813	23,924	24,498	24,401	24,573
120 Shrewsbury Old Bank.....	43,191	42,941	41,912	43,601	42,526
121 Sittingbourne and Milton Bank...	4,789	3,081	3,188	3,438	3,304
122 Southampton Town & County Bk.	18,589	12,146	13,479	12,513	12,020
123 Southwell Bank .....	14,744	12,326	12,533	12,603	12,301
124 Southampton and Hampshire Bk.	6,770	3,048	3,083	2,953	2,844
125 Stone Bank .....	9,154	325	325		
126 Stafford Old Bank .....	14,166	12,996	13,291	13,661	13,469
127 Stamford and Rutland Bank .....	31,858	29,340	30,199	32,252	31,476
128 Shrewsbury and Welsh Pool Bank	25,336	24,385	24,420	24,445	24,944
129 Taunton Bank .....	29,799	29,034	29,027	28,730	29,035
130 Tavistock Bank .....	13,421	10,043	10,839	10,418	9,432
131 Thornbury Bank .....	10,026	9,085	9,215	9,958	10,612
132 Tiverton and Devonshire Bank...	13,470	12,699	12,853	12,653	12,610
133 Thrapstone and Kettering Bank..	11,559	11,460	11,245	11,755	11,412
134 Tring Bank and Chesham Bank..	13,531	14,375	13,307	12,981	12,720
135 Towcester Old Bank .....	10,801	7,865	8,257	8,355	8,350
136 Town and County of Poole Bk. and Ringwood and Poole Bk.	11,856	9,702	10,311	10,099	9,150
137 Union Bank, Cornwall .....	17,003	17,322	17,273	16,583	15,99
138 Uxbridge Old Bank .....	25,136	13,870	14,191	14,681	13,102
139 Wallingford Bank .....	17,064	6,915	7,319	7,678	7,418
140 Warwick and Warwickshire Bank	30,504	22,532	23,777	25,152	23,727
141 Wellington Bank, Somerset .....	6,528	5,700	5,602	6,097	5,655
142 West Riding Bank .....	46,158	46,065	47,145	46,746	44,572
143 Whitby Old Bank .....	14,258	13,755	14,138	14,626	14,195
144 Winchester, Alresford & Alton Bk.	25,892	18,280	18,253	19,009	19,272
145 Weymouth Old Bank .....	16,461	15,726	15,775	15,687	15,747
146 Wirksworth and Derbyshire Bk.	37,602	36,063	36,668	37,629	37,380
147 Wisbeach and Lincolnshire Bank	59,713	60,559	58,033	59,054	58,441
148 Wiveliscombe Bank.....	7,602	7,829	7,368	6,760	7,058
149 Wolverhampton Bk.—Goodricke	14,180	8,386	10,890	13,775	13,460
150 Worcester Bank .....	15,463	5,518	5,544	5,943	5,808
151 Worcester Old Bank .....	87,448	69,686	75,659	80,111	82,495
152 Wolverham. Bk.—R. & W. Fryer	11,867	12,395	11,705	11,126	11,548
153 Yarmouth and Suffolk Bank .....	53,060	48,676	55,733	54,340	47,331
154 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,347	13,152	12,956	12,113
155 York Bank .....	46,387	41,179	44,024	45,898	46,222

## JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	9,425	10,019	9,865	9,945
2 Barnsley Banking Company .....	9,563	9,646	9,445	9,525	9,383
3 Bradford Banking Company .....	49,292	49,035	49,133	50,010	47,415
4 Bilston District Banking Company.	9,418	9,265	10,682	8,995	7,620
5 Bank of Whitehaven.....	32,681	26,991	27,862	28,030	29,841
6 Bradford Commercial Banking Co.	20,084	19,421	19,958	20,159	19,106
7 Burton, Uttoxeter, and Staffordshire Union Bank .....	60,701	49,120	50,443	52,006	53,043



# WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Oct. 2.	Oct. 10.	Oct. 17.	Oct. 24.
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	10,223	10,208	10,140	10,080
9 Cumberland Union Banking Co....	35,395	35,554	35,987	33,901	34,027
10 Coventry and Warwickshire Bk. Co.	28,734	27,990	30,055	29,140	27,158
11 Coventry Union Banking Company	16,251	17,254	17,650	16,138	12,900
12 County of Gloucester Banking Co.	144,352	113,089	116,181	119,246	119,776
13 Carlisle & Cumberland Banking Co.	25,610	28,045	25,647	23,547	24,491
14 Carlisle City and District Bank ...	19,972	20,584	20,342	19,436	19,502
15 Dudley & West Bromwich Bk. Co.	37,696	31,045	37,232	40,573	40,315
16 Derby and Derbyshire Banking Co.	20,093	20,205	19,944	19,420	19,177
17 Darlington Dist. Joint Stock Bk. Co.	26,134	27,151	26,060	26,120	24,596
18 East of England Bank .....	25,025	26,630	24,746	22,796	22,143
19 Gloucestershire Banking Company	155,920	160,802	160,640	149,745	143,035
20 Halifax Joint Stock Bank.....	18,534	18,138	19,167	18,659	18,139
21 Huddersfield Banking Company...	37,354	35,245	36,211	38,333	38,825
22 Hull Banking Company .....	29,333	23,113	23,718	24,190	23,785
23 Halifax Commercial Banking Co.	13,733	13,881	13,536	13,967	13,376
24 Halifax & Huddersfield Union Bk.	44,137	42,502	44,585	42,502	43,155
25 Helston Banking Company .....	1,503	1,405	1,535	1,505	1,349
26 Herefordshire Banking Company...	25,047	26,354	28,277	24,735	20,064
27 Knaresborough and Claro Bk. Co.	28,059	27,775	28,503	27,230	28,212
28 Kingsbridge Joint Stock Bank ....	3,952	2,460	2,508	2,896	3,240
29 Lancaster Banking Company .....	64,311	54,892	57,780	62,083	61,075
30 Leeds Banking Company .....	23,076	23,184	22,736	23,041	23,149
31 Leicestershire Banking Company...	86,060	70,553	74,819	80,420	82,730
32 Lincoln and Lindsey Banking Co.	51,620	50,811	49,770	52,060	47,955
33 Leamington Priors and Warwick- shire Bank .....	13,875	8,345	10,376	10,260	9,353
34 Ludlow and Tenbury Bank .....	10,215	10,411	10,158	10,097	9,825
35 Moore & Robinson's Notts. Bank...	35,813	36,765	32,845	34,574	34,097
36 Nottingham and Notts. Banking Co.	29,477	29,204	30,808	29,285	27,692
37 National Provincial Bk. of England	442,371	433,769	434,514	433,006	425,830
38 North Wilts Banking Company ...	63,939	44,894	44,963	47,241	46,683
39 Northamptonshire Union Bank ...	84,356	88,730	91,596	83,451	72,395
40 Northamptonshire Banking Co. ...	26,401	21,011	22,406	23,238	21,101
41 North and South Wales Bank .....	63,951	65,511	62,719	60,815	63,945
42 Pare's Leicestershire Banking Co...	59,300	50,938	54,272	57,937	56,665
43 Saddleworth Banking Company ...	8,122	2,555	2,795	2,708	2,290
44 Sheffield Banking Company .....	35,843	36,342	38,326	35,485	31,032
45 Stamford, Spalding & Boston Bk. Co.	55,721	49,290	50,515	54,875	52,927
46 Stuckey's Banking Company .....	356,976	358,166	349,066	343,866	348,521
47 Shropshire Banking Company.....	47,951	50,030	48,742	44,625	44,463
48 Stourbridge and Kidderminster Bk.	56,830	56,974	55,940	56,364	56,235
49 Sheffield and Hallamshire Bank ...	23,524	24,690	24,449	21,687	18,739
50 Sheffield & Rotherham Jt. Stock Bk.	52,496	53,603	52,993	50,879	49,996
51 Swaledale and Wensleydale Bank..	54,372	53,370	53,582	53,119	52,236
52 Wolverhampton & Staffordsh. Bk...	35,378	34,208	35,311	35,741	33,907
53 Wakefield and Barnsley Union Bk.	14,604	14,442	15,220	14,656	14,077
54 Whitehaven Joint Stock Bank ...	31,916	27,736	29,529	28,735	28,295
55 Warwick and Leamington Bk. Co.	37,124	28,600	31,922	31,934	30,581
56 West of England and South Wales District Bank.....	83,535	75,991	78,333	80,576	77,287
57 Wilts & Dorset Banking Company	76,162	76,842	75,830	71,252	71,770
58 West Riding Union Banking Co....	34,029	32,653	32,155	33,783	32,525
59 Whitechurch and Ellesmere Bk. Co.	7,475	5,879	5,565	5,402	5,271
50 Worcester City and County Bk. Co.	6,848	7,360	7,238	6,573	5,678
51 York Union Banking Company ...	71,240	72,032	70,880	67,806	66,520
62 York City and County Banking Co.	94,695	93,129	95,060	96,327	91,981
63 Yorkshire Banking Company .....	122,532	119,393	123,408	127,022	118,365